



Health, Safety, Environment & Sustainability Policy

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1. INTRODUCTION

1.1. Content overview

CAREL Industries S.p.A. (hereinafter also referred to as the “Company” or “CAREL”) recognises the importance of minimising its impact on the environment and ensuring safety in the workplace through the continuous improvement of its processes, the adoption of a prevention system relating to these issues and the compliance with legal and contractual requirements.

CAREL also recognises the importance of the transition to a circular economy model and places environmental sustainability at the heart of its corporate culture and strategy, with the aim of pursuing development that focuses on environmental conservation and the well-being of future generations.

This document, hereinafter also referred to as the “Policy”, defines the principles and commitments adopted by CAREL and its subsidiaries, directly or indirectly (hereinafter jointly referred to as the “Group” or “CAREL Group” or “Group companies”), and provides a framework for setting objectives related to:

- reducing the actual and potential impact on the environment and the territory,
- preventing pollution and environmental accidents,
- promoting sustainable development and energy efficiency,
- ensuring health and safety at work through the prevention of accidents and occupational diseases,
- identifying related risks and opportunities and plan actions in response.

The principles expressed in this Policy have been defined taking into account the analysis of the context in which CAREL operates, i.e. how it influences and is influenced by it, and the interests and expectations of its key stakeholders in the fields of Health and Safety, Environment, Energy and Sustainability.

With this Policy, CAREL Group invites all Recipients to behave responsibly and sustainably in their everyday lives, in line with the principles described below, in order to contribute to raising awareness of issues relating to the environment and health and safety in the workplace, as well as sustainable development.

1.2. External and Internal References

In adopting this Policy, CAREL Group is guided by:

- the international standard ISO 14001 on Environmental Management Systems;
- the international standard ISO 45001 on Management Systems for Occupational Health and Safety;
- the international standard ISO 50001 on Management Systems for Energy;
- the Kyoto Protocol, adopted on 11 December 1997;
- the Paris Agreement, entered into force on 4 November 2016;

- the 2030 Agenda for Sustainable Development;
- the laws, regulations and guidelines of each country in which CAREL Group operates;
- Italian Legislative Decree 231/2001, which introduces administrative liability for legal entities, establishing that organizations can be held liable for crimes committed by their managers or employees in their interest.

The provisions contained in this Policy are supplemented by those set out in other procedures and guidelines in force that deal with similar aspects, such as, by way of example:

- procedures established and applied within local Management Systems, certified in accordance with international standards (ISO 14001, ISO 45001, ISO 50001);
- CAREL Culture Code;
- Code of Conduct for Suppliers of CAREL Industries S.p.A.;
- CAREL Group Code of Ethics.

2. SCOPE AND TARGET AUDIENCE

This Policy shall be considered binding for companies belonging to CAREL Group in all geographical areas in which they operate and for the conduct of all Recipients, that is, all those persons to whom the provisions of this Policy apply and, in particular, Employees, Managers, Collaborators (e.g. consultants, agents), Company Representatives, as well as company representatives, employees and collaborators of companies belonging to CAREL Group. This also includes the main stakeholders, within the scope of their independent operations and, in particular, their relationships with CAREL Group, for whom conduct in line with the general principles of this Policy is required, without prejudice to respect for specific religious, cultural and social characteristics.

Furthermore, CAREL shares the commitment, objectives and principles expressed in this document with its suppliers and customers, who are considered fundamental parties for the development of the Company and CAREL Group. This is without prejudice to any contrary provisions in the Policy and the application of mandatory legal and contractual rules applicable from time to time to their relations with the Group.

The application of the principles of environmental sustainability expressed in this Policy also allows the Group to plan actions that impact the upstream and downstream chain of its activities.

3. PRINCIPLES

CAREL recognises the importance of fully integrating Environmental, Health and Safety, and Environmental Sustainability aspects into its organisational processes. For this reason, it is committed to periodically defining improvement objectives and multi-year strategic plans relating to these issues, aimed at:

- implementing and maintaining actions to identify, prevent and mitigate risks and impacts on the environment and on the health and safety of workers;
- pursuing sustainable scientific and technological development at both organizational and product levels, adopting life-cycle perspective and science-based tools to assess environmental impacts and identify strategies for their management and reduction.

In identifying these objectives, CAREL undertakes to:

- engage and collaborate with stakeholders, shareholders, local communities and administrations, including through collaborations, initiatives and partnerships;
- establish collaborations with international Bodies, aligned with public commitments and recognised for their authority in the fields of health and safety, environment and sustainability, and take their policies, treaties, guidelines and other recommendations as a reference point.

3.1. Climate change

Climate change and energy use are among the most pressing issues of recent years. With a view to adaptation, prevention and mitigation, and in accordance with the provisions of the previous paragraph, CAREL has adopted and undertakes to maintain a *Transition Plan* applicable to the whole Group, which is based on the following key points:

- reducing the use of fossil fuels, promoting the electrification of its processes;
- rationalising energy consumption in its own operations and, within the limits of its influence, in the value chain, committing to developing more efficient products;
- increasing the share of green energy through the installation of photovoltaic panels and, where this is not feasible, through the purchase of guarantees of origin.

Once a year, CAREL calculates the Greenhouse Gas emissions across its entire value chain to monitor progress against the reduction targets set and, if necessary, plan further actions to reduce them.

The Company also undertakes to periodically analyse the physical risks arising from climate change and their potential impact on its activities, assets and strategies, in order to promptly identify any critical situations and implement preventive measures of adaptation to climate change.

3.2. Pollution and chemical substances

In organising and managing its activities, CAREL commits to adopt and maintain measures to protect people's health and to prevent and minimise environmental pollution, such as:

- pollutant filtration systems for process emissions released into the atmosphere (e.g. PM, NO_x, SO_x, POPs, VOC Hazardous Air Pollutants) and periodic monitoring to identify and resolve refrigerant gas leaks;
- settling tanks and similar systems for cleaning wastewater from laboratories;
- identification of areas dedicated to waste collection and entrusting recycling and disposal to authorised companies;
- automatic systems and manual procedures for the prompt management of emergencies, such as fire and chemical spills, in order to limit damage to people and the environment.

CAREL also undertakes to periodically review the measures adopted in order to identify and implement improvements, including those made possible by new technologies available on the market, and to identify new risks and opportunities related to pollution management in its own operations. The Company is committed to replacing or, where this is not possible, reducing the use of hazardous substances in its processes and products.

The same attention is paid to hazardous substances within products. A dedicated policy has been adopted at Group level to define the minimum requirements and commitments related to this issue.

3.3. Water

Although the Group's activities are not strictly linked to the use of water resources, CAREL has defined its position by committing to rationalising its use, particularly in areas experiencing greater water stress, in order to reduce supply from natural sources and the impact on local ecosystems and communities.

The Company undertakes to maintain adequate water collection systems at all its commercial and production sites to facilitate cleaning and pollutant removal treatments before used water is returned to the environment, thereby protecting water bodies and aquatic ecosystems.

CAREL also addresses the issue of water in its value chain, committing to take it into account in the supplier evaluation process and to achieve greater efficiency in the use of water resources by its products.

3.4. Biodiversity

CAREL carries out its activities with a focus on protecting the surrounding environment and biodiversity, preventing and minimising physical and pollution impacts that could damage ecosystems. It also undertakes to take particular care when the Group's production sites are located near sensitive and protected areas.

Furthermore, when sourcing biological materials such as paper, cardboard and wood, CAREL commits to favour supplies from sustainable and certified supply chains.

3.5. Resource use

CAREL periodically analyses its use of resources, both in actual processes and in the development of new projects, in order to make them more efficient and optimise supply, favouring local suppliers where possible. Through process optimisation and scrap reduction, CAREL is committed to reducing waste production, especially hazardous waste, in order to keep resources within the system as much as possible. Furthermore, the Company is committed to collaborate with recycling companies to identify the best processes and practices to ensure the highest recycling rates.

Through the adoption of procurement policies, the Company aims to establish a sustainable procurement process that takes into account the risks and opportunities related to supplies and allows for the identification of actions and strategies to address them, in order to ensure business continuity and sustainable procurement.

CAREL is committed to researching new materials and sustainable alternatives to virgin resources for its products and packaging, such as recycled and biobased materials, in compliance with current regulations, safety and product quality. It is also committed to designing its products with a view to facilitating repair, disassembly and recycling at the end of their life cycle.

3.6. Health and Safety

CAREL guarantees the health and safety of its workers through continuous improvement of its processes and environments, elimination of hazards and reduction of risks, thanks to a prevention system that allows potential risks to be identified and preventive measures to be implemented for accidents and occupational diseases.

Among its prevention systems, the Company commits to establishing and maintaining a robust process for managing foreseeable emergencies, through preparation and periodic review of emergency plans and dedicated procedures, as well as adequate training and information for employees to ensure the timely and effective activation of these plans.

CAREL also undertakes to guarantee technical planning of workplaces, equipment and processes based on the highest level of compliance with current regulations on health and safety at work in the relevant geographical area, as well as with the applicable requirements signed and Company policies implemented.

Finally, aware of the importance of collaboration in creating a healthy and safe working environment, CAREL is committed to actively involving all staff and their representatives in identifying risks and feasible prevention and mitigation actions, promoting transparent communication between the parties and raising staff awareness of their role in creating a safe environment for themselves and others.

4. APPLICATION

4.1. Management Systems for Control and Monitoring

CAREL identifies Management Systems as the means by which to effectively implement, control and monitor the principles of this Policy and the objectives set, through the application of procedures and standards and the continuous improvement of processes and performance.

The Management Systems implemented in Group companies include a commitment to full compliance with local environmental, energy, health and safety regulations and international ISO standards (ISO 14001, ISO 45001, ISO 50001). Compliance is ensured through regular audits by an independent third party.

When structuring their Management Systems, Group companies must take into account the Policies, guidelines and procedures provided by the Parent Company. Where the Parent Company's requirements differ from those of local regulations, the Group company is required to adopt the most restrictive requirements in order to achieve and maintain high levels of Environmental, Energy and Health and Safety performance.

The annual Review, conducted in accordance with the relevant ISO standards, provides the formal opportunity for Management to:

- verify the implementation status of improvement plans;
- analyse the status of target achievement in relation to expected results;
- update or supplement objectives;
- establish measures for risk mitigation and opportunity assessment.

The data and information required for the analysis are collected annually at Group level.

4.2. Information and Training

The Company recognises employee training and information as fundamental tools for the implementation of this Policy. CAREL commits to providing training sessions for its employees on the principles expressed in this Policy, and to informing them about approved action plans and objectives achieved. CAREL also commits to organise periodic initiatives to raise awareness and encourage the active participation of staff in the areas covered by this Policy.

4.3. Transparency and Communication

CAREL undertakes to distribute this document to all Recipients in order to ensure that the parties concerned are properly informed, by publishing it on the Company intranet and on its website.

Information on Environmental, Energy and Health and Safety performance is reported and commented on in the Sustainability Statement, which is prepared in accordance with applicable regulations and verified by an independent third party. The Sustainability Statement is published once a year and made available to all stakeholders.

CAREL also participates in associations, industry round tables and events that enable the sharing of best practices, experiences and innovative ideas relating to the areas covered by this Policy.

4.4. Reports

CAREL promotes a positive approach to the issues covered in this Policy in order to guarantee and protect freedom of expression and reporting by Recipients in relation to non-compliance, critical/undesirable situations or other related issues.

The reporting of any suspected non-compliance by the Recipients of this Policy must be made in writing and may be forwarded by the reporting parties to their line managers and, if the report concerns the Group's Code of Ethics, to the Supervisory Body by sending the communication by e-mail (odv@carel.com) or internal mail.

Reports relating to any violations of the Supervisory Body may be addressed to the Board of Directors, so that it may delegate one of its members to carry out the investigations deemed necessary and/or appropriate. The strictest confidentiality will be maintained regarding the reports received.

5. GOVERNANCE

5.1. Responsibilities

The application of the principles of this Policy is guaranteed by the commitment of experts and reference organisational structures, both at central level and at the level of individual subsidiaries and operating sites, with the full involvement of the entire organisational structure.

In particular, top Management is responsible for approving specific targets aimed at pursuing the principles of this Policy, and for promoting activities and achieving the objectives set. The approving body varies depending on the strategic level of the targets themselves and their scope of implementation, in accordance with the Group's hierarchical and functional relationships.

To implement plans and actions, top Management collaborates with organisational functions such as the ESG Team and the Group and local HSE managers.

5.2. Resources

Alongside the full involvement of the top Management, adequate information and investments are guaranteed for:

- the creation and maintenance of a safe and healthy working environment;
- the implementation of the necessary measures to protect the environment from degradation and pollution;
- the purchase and design of energy-efficient products and services, supporting the achievement of energy targets;
- periodic analysis of risks and opportunities related to the issues addressed by this Policy and the adoption of mitigation and adaptation measures;
- the implementation of decarbonisation and environmental sustainability actions.

The proposal and approval of resources take place as part of the annual budget allocation process, both at Group level and at individual organisation level, with a view to fully integrating these issues with all other organisational processes.

Brugine (PD), 25.02.2026

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