



SDG Progress Report

Organizza lo spazio
KARRELL

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INTRODUCTION

KARRELL'S IDENTITY



Karrell s.r.l. was born in 2006 from the merging of two companies, CAR.M.A. s.r.l. and TRIMEC S.p.A., lift trucks dealers of the OM Carrelli Elevatori S.p.A. brand. both established in 1975 and which have always been leaders in the forklift sector. Karrell s.r.l. has three operational headquarters and they are: Salorno (BZ), Verona (VR) and Mantova MN).

The Company is currently active in the intra-logistics business sector; the products / services marketed are:

- sale and rental of forklifts and related equipment for lifting and handling loads;
- provision of the technical assistance service (ordinary and extraordinary maintenance);
- study and marketing of systems for static and automated storage, complete with related management hardware and software (automatic warehouses and shelving);
- provision of training courses for operators of work equipment intended for lifting and handling loads.

All the staff knows very well the Company Policy, which is widespread, available and can be downloaded from the website <http://www.karrell.it>.

DRAFTING OF THE FINANCIAL STATEMENTS AND REFERENCES USED

The document was prepared using the “Global Reporting Initiative Sustainability Reporting Standards” (GRI Standards) as a technical-methodological reference.

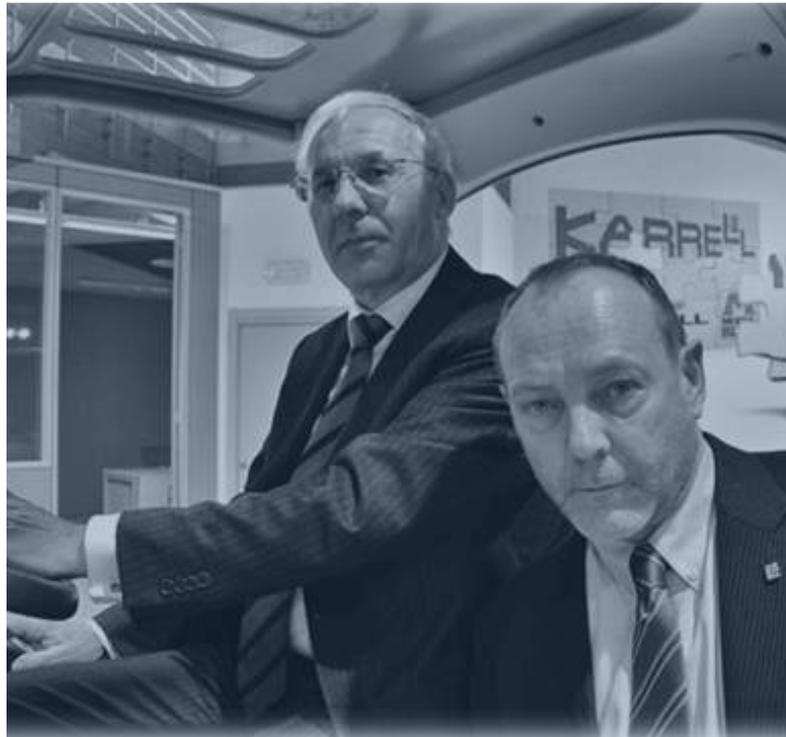
MESSAGE FROM OUR LEADERS

We are people who together form a team, focused on clear and common objectives, which works by sharing the following values:

Our every action has as its ultimate goal the good of all of us. No personal advantage is stronger than the common good.

We are aware of the importance of everyone's work, we respect it and are ready to lend a hand when needed. Each of us carries out its small or large function, both with the utmost sense of responsibility.

The fear of brave men is not that of setting goals that are too high, but that of setting goals that are too low to be achieved



On the left side the Chairman Ezio Montel, on the right side the CEO Filippo Ghezzer

We operate with precision and respect for the rules, keeping the commitments undertaken and every promise made.

The effectiveness of each of our activities depends on how clear, punctual and precise is the communication between all of us.

Our success passes through Our tenacity with which we want to reach our every goal, overcome any obstacle or difficulty that prevents them from being achieved.

"The fear of brave men is not that of setting goals that are too high, but that of setting goals that are too low to be achieved".

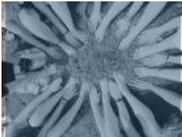
The Chairman

KARRELL'S STAKEHOLDERS AND THE MAIN COMMUNICATION CHANNELS



01. Customers

Customer Service / Social Network / Sales Network as a channel for sales, listening and communication.



02. Local Communities

Community engagement program.



03. Suppliers

Periodic meetings with suppliers and site visits / Shared improvement plans / Sharing of the Supplier Code of Conduct and Code of Ethics.



04. Press&Digital Media

Relations with local press / Social Network.



05. International, national and local institutions non-governmental organizations

Sharing the Supplier Code of Conduct and Code of Ethics.



06. Governance bodies

Organization of periodic meetings / Ethics Committee.



07. HR

Training and performance management programs / Focus groups and group coaching Welfare program / Sharing the Employee Code of Conduct and the Code of Ethics / Internal communication (initiatives dedicated to sustainability issues)

CUSTOMERS

FAIRNESS, COURTESY AND COLLABORATION

Karrell bases the excellence of the products and services offered on attention to customers and the willingness to satisfy their requirements.

The goal is to ensure an immediate, qualified and competent response to customer needs, with fairness, courtesy and collaboration.

HERE IS WHAT KARRELL UNDERTAKES TO DO ABOUT QUALITY, FOR THE SATISFACTION OF CUSTOMERS:

- maintenance of the prerogative of official STILL dealer for the sale and rental of forklifts;
- compliance with the product and service standards offered in line with the contractual provisions;
- consultancy in choosing the most suitable products for their needs with technical-commercial support;
- proposal of innovative solutions through the customization of forklifts with fittings and equipment, in compliance with mandatory and contractual requirements;
- offer of after-sales technical assistance service including scheduled routine maintenance, checks on safety devices and extraordinary maintenance, to be carried out both at its own workshops and at customers' premises, with rapid and efficient interventions throughout the year;
- immediate availability and / or timely supply of spare parts;
- investment of resources to increase research, development and growth of skills in the automation sector for intralogistics, also through the consolidation of partnerships with leading companies, in order to provide customers with innovative technological products and services in perspective of the "Industry 4.0 Plan";
- consultancy, study and implementation of static and automatic pallet rack systems, WMS / RFID software / hardware for warehouse management, with the prerogative of Kardex Remstar concessionaire;
- creation and coordination of business networks for intralogistics;
- provision of educational and training activities for the safe use of forklifts.



COMMUNITY ENGAGEMENT

Community engagement means the way to involve the community, which is hold together by a single, or several planned interests.

Karrell is active on the community engagement, supporting projects both on the territory and (indirectly) outside the national borders; these are initiatives in support of sport and initiatives in favor of aid in the third sector.

Karrell S.r.l. intends to contribute to the economic well-being and growth of the communities in which it works providing efficient and technologically advanced services to its customers. In line with these objectives and with the responsibilities assumed towards the various Stakeholders, Karrell S.r.l. identifies research and innovation as a priority condition for growth and success. Karrell S.r.l. have relations with local and national Public Authorities with a full and effective collaboration and transparency, in compliance with reciprocal autonomy, economic goals and the values that are also expressed in the Code of ethics of the company.

Karrell S.r.l. welcomes and provides support to social, cultural and educational initiatives aimed at promoting people and improving living conditions.

Karrell S.r.l. does not make contributions, benefits or other benefits to political parties and workers' trade unions, nor to their representatives or candidates.



SUPPLIERS

Karrell undertakes also to be sustainable in procurement. The supply chain is a key component of a company's corporate social responsibility because it brings benefits not only for the organization, but also for society and the economy and allows to minimize the damage to the environment. That's why the choice to become certified and prefer suppliers with similar requirements, certifications and values represents a strategic choice, both for sustainability and for a mutual commercial advantage, as well as for an overall improvement of the supply chain.

Karrell involve Suppliers into common environmental and safety goals. Here some examples of company's procurement which can be considered sustainable: the vending service which distributes organic products and the water dispenser, with has an internal UV sterilizing lamp and an external filtration system. This watercooler dispenser has also an anti-flooding system . Another example are the manufacturers of the forklifts we sell, which are in keeping with environmental trends and certifications and are very careful about their environmental impact.



GOVERNANCE & COMPLIANCE

THE GOVERNANCE

The corporate governance is traditional, it means that there's a Board of Directors, chaired by Ezio Montel.

Besides the Chairman, the other shareholders on Board are: the Chief Executive Officer Filippo Ghezzer, and the Director Iris Montel. The Board of Auditors, that is the authority that supervises the sound administration, especially what mainly concerns the suitability of the organizational, administrative and accounting set-up adopted by the directors and how it works. It's made up of an Auditor, Mr. Franco Sebastiani.



COMPLIANCE

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Karrell carries out its business in an ever-changing economic, social and political background, in which compliance with laws and regulations is very important. That's why the company implements an internal control and risk management system, i.e. a set of procedures, rules, organizational structures and related activities in order to ensure, through an appropriate process of identification, measurement, management and monitoring of main risks, a correct and consistent management of the company in line with the targets.

The company has drawn up the Code of Ethics and the Lines of Conduct, which all the individual recipients should comply with in order that Karrell Srl has a good reliability and reputation and works well. Karrell believes that ethics in business is to be pursued jointly with the success of the enterprise. Karrell complies with D.Lgs 81/2008 in the matter of "Safety at work", with D.Lgs. 231/2001 concerning the "Discipline of the administrative liability of legal entities" and with the GDPR EU Regulation 2016/679 concerning the protection of natural persons in relation to the processing of personal data. The company prevents through a compliance system to avoid the risk of non-compliance with current regulations.

In the meeting of 14 December 2010, the Board of Directors of Karrell s.r.l. approved MOGC ex D. Lgs. n. 231/2001, in order that third parties give fairness and comply with the integrity of ethical values, in the belief that ethics in conducting business is to be pursued as a condition for the success of the company. MOGC ex D. Lgs. n. 231/2001, originates from the D. Lgs. 8 June 2001, n. 231, issued in implementation of the delegation contained in Law no. 300 of 29 September 2000, which introduced for the first time in Italy the administrative liability of companies and other entities as a consequence of the commission of certain types of crimes.





The "Model" adopted by Karrell is composed by:

- General Part which the main standards and guidelines;
- six appendices that set out the various types of crimes and offenses envisaged by D. Lgs. n. 231/2001 and the standard to which all Stakeholders must refer in order to have relations with Karrell ;
- various Annexes or Special Parts that refer to the types of offense;
- two Reserved parts, managed by the Supervisory Authority, which contain the specific internal control procedures divided into the "Governance" and "Operating Units" sectors, and are part of the wider organization and control system and are by their nature reserved for various management levels and to the operating units of the Company.
- Therefore, the MOGC ex D. Lgs. n. 231/2001, binding for all Third Parties, is a tool that guides the Company towards the correctness and integrity of conduct at a personal and collective level and aims to:
 - 1.determine, in all those who work in the name and on behalf of Karrell srl, the awareness of being able to incur, in case of
 - 2.violation of the provisions contained therein, in an offense subject to penalties, on a criminal and administrative level, not only against themselves but also towards the Company;
 - 3.reiterate that these forms of illicit behavior are strongly condemned by Karrell in that (even if Karrell s.r.l. was apparently in a position to take advantage of it) they are in any case contrary not only to the provisions of the law, but also to the social ethical principles which it intends to adhere to in carrying out its corporate mission;
 - 4.allow Karrell , following-up, to take prompt action to prevent or tackle crimes and offenses.

That's why the company implemented an Internal Control System which also provides for the appointment of a Supervisory Authority (SA) consisting of:

- Dr. Alberto Pesenato, external professional and Chairman of the SA;
- Rag. Sandro Pozza, Head of Administrative Services as assistant to the Supervisory Authority, for administrative issues.

The SA has self-government on initiative and supervisory and has the task of supervising on compliance with the MOGC and how it works.

It's possible to read the full version of the MOGC of the company on the website www.karrell.it - section231-

The administrative liability of legal entities due to stakeholders under D. Lgs. n. 231/2001 also concerns violations of the protection of privacy, including the unlawful processing of data.

The company totally excludes investigations about ideas, preferences, personal tastes and, in general, the workers' private life, as well as collect or use personal data, without the consent of the data subjects.

Karrell refrains from seeking confidential data and guarantee the information in its possession are confidential, except in the case of express and informed authorization; in this case it will scrupulously adhere to the legal regulations in force. Collaborators, employees and partners are required not to use confidential information for purposes not related to the exercise of their business.

All Employees are required to maintain the strictest confidentiality on confidential information relating to the Company (and / or its Employees) of which they are aware. Any exceptions are allowed as long as they are formally authorized by the Department Manager. All employees took the training course on privacy, protection and processing of personal data.

HR&WELFARE

HR: THE IMPORTANCE OF PEOPLE IN KARRELL

Karrell is aware of the key role of HR and believe that what lead to success every company is people's work, in a framework of loyalty and mutual trust. It believes in developing a successful culture based on passion and teamwork, which guides the activities and behaviors of the staff and leaves a fundamental message linked to the values it wants to convey.

Managing working relationships aim is guaranteeing equal opportunities and promoting the professional growth of everyone.

Karrell perform its business through the employment of workers, who carry out their activities, both in the internal workplaces (operational headquarters of the Company) and in the external ones (offices, production units of customers / clients).

There are no business units in developing countries: the treatment of employees is fully regulated by national laws. The company is committed to the promotion of human rights, inalienable and essential prerogatives of human beings and the foundation for the construction of societies founded on the principles of equality, solidarity, repudiation of war and for the protection of civil and political rights, social rights, economic and cultural rights and so-called third generation rights (right to self-determination, peace, development and environmental protection).

Karrell which has always respected the clauses of the existing employment contracts, has not defined any action or particular agreements or contractual clauses to guarantee respect for human rights.

Customers are Italian companies or multinational corporations with operational headquarters in Italy. In the case of holdings corporations, our size does not allow us to dictate rules towards them. In general the company have no internal rules or protocols to verify compliance of the human rights of customers, it just share attitude of protection of human rights and try to transmit it and lead the way through the good behavior.

In the case of partners or suppliers, Karrell apply a principle contained in the Code of ethics: not achieve economic and competitive advantages through the use of partners or suppliers who doesn't have the same ethical principles, especially respect for human rights.

Karrell undertakes that workers are in a safe environment, protecting them from the dangers that may arise at work. Where necessary, workers will be provided with safety equipment appropriate to the work performed.

The company has identified a Quality, Health, Safety and Environment Manager in the figure of Mr. Paolo Cozzi.

Labor and human rights policies are generally reviewed at least once a year to keep them up to date.



WORK-LIFE BALANCE AND FACILITIES @ WORK

Karrell has always facilitated the “work-life balance”; for example, there is a 100% of part-time job granted on the requests submitted.

Remote working has been implemented where possible.

The Company's policy is also to encourage "free time" with the aim of making all holidays and permits available by the end of the year, clearly trying to satisfy the workers' requests relating to the periods of use of the holidays. .



The company policy also establishes other goals regarding corporate social responsibility such as:

- stability of the working relationship (% of permanent workers always > 90%);
- high transparency in the implementation of the CCNL applied to workers;
- satisfaction of workers' requests, if possible by improving the provisions envisaged by the CCNL (example: severance pay advances under better conditions; loans at preferential conditions);
- improve the health as organizational well-being, management and development of human resources;
- improvement of the working atmosphere and team motivation.

LOYALTY AND ACCOUNTABILITY

Generally in the Company there are employees with permanent or fixed-term contract; however other contractual arrangements like business agents, staff leasing, internships, for partnerships or recruitment are not automatically excluded.

Karrell strives to establish long-lasting working relationships, due to this the percentage of employees with permanent contracts from 2014 to 2017 increased from 94.6% to 98%, and then remained settled and straightforward.

The percentage of turnover, on the other hand, has decreased over time, from 9.81% in 2014 to 6.25% in 2017 and then maintains an almost constant trend.

100% of Karrell employees are covered by CCNL.



WELFARE

Karrell pay attention to welfare to increase the personal and professional well-being of workers, to improve the company's competitiveness, productivity and efficiency and to help growth business. A healthy work-life balance helps the business performances of the company.

Output per worker and the levels of staff motivation are determined by several reasons and are closely related to the company's business performances.

Karrell supports employees through contractual welfare, with a matching grant for healthcare benefits, as setted-up with their CCNL.

The company also strives to improve the work / life balance with a bonus for each employee, regardless of role, skills and job level, both workers with permanent and fixed-term contract. The bonus is not linked to any efficiency / productivity indicator.

Has been chosen and implemented an IT platform that allows each employee to pick the benefits they wish from a wide basket of goods and services up to the maximum default. They can read the complete list of welfare tools on the IT platform visiting the website offered by Karrell with the aim of allowing within budget the individual worker, to choose the combination of goods and services that best suit their needs and those of their family members.

Some of the available services are: health examinations, care activities for children and the elderly, agreements with healthcare centers or medical facilities. Karrell always supported the third sector, above all with a special focus on social responsibility and environment. Karrell has decided to pour money in these issues because believes that the company's duty is not only revenue but also the future. The future meant as the greater good, to improve the world we live in. Karrell believes in CSR which must take the form of practical acts. Practical actions targeting all the stakeholders involved both directly, like workers and employees, and indirectly, like the territory and more generally the whole of society.

At the very beginning, supporting special projects was desultory because there were too many requests from different organizations; in recent years the company has established over time a steady relationship with a non-profit organization (Fontana Foundation) which supports community-based international solidarity projects in Kenya, Bosnia and Israel.

Karrell is also representative for the circular green economy and move up what is best for future in its framework like turning products into services and spreading environmental standards of durability, repairability, reuse, recycling into processes.

Karrell have the focus on environmental policy, to be aware about it and with a view to continuous improvement it's doing a sustainable activity, enhanced by the certifications of environmental management systems (ISO 14001).



Welfare Index PMI is the index that rates the level of corporate welfare in Italian small and medium-sized companies. Above is the 2021 certificate, below is the Chairman during the award award celebration.



LABOR PRACTICES & HUMAN RIGHTS

There are no operating branches in developing countries, so the treatment of employees is fully regulated by the Italian collective agreements.

The company strives to foster human rights, inalienable and essential prerogatives of human beings and foundation for building societies based on the principles of equality, solidarity, rejection of war and for the protection of civil and political rights, social rights, economic and cultural rights and the so-called third generation rights (right to self-determination, peace, development and environmental protection).

Karrell has always respected the clauses of the existing employment contracts.

It hasn't defined any action or particular agreements or contractual clauses to guarantee respect for human rights. Karrell is a national company operating only in Italy. It satisfies the requirements of the SA8000 certification because in Italy is rule-based, binding and mandatory.

Customers are Italian or multinational companies with operational headquarters in Italy.

For multinational customers, the size the company doesn't allow it to dictate rules towards them.

There are not internal rules or protocols to verify compliance of the human rights of customers.

The company just spread and share its attitude to protect human rights through the behavior and setting itself as an example as required to external stakeholders.



Generally customers ask us to sign the commitment to comply with the requirements of the SA800 standard on human rights through documentation that we are able to comply with.

In Code of ethics there is a principle which can be applied the case of partners or suppliers which is not wanting to achieve economic and more generally competitive advantages through the use of partners or suppliers that are not in line with our ethical principles, in particular respect for human rights.

The company strives to ensure that workers are in a safe environment, protecting them from the dangers that may arise at work. Where necessary, workers will be provided with safety equipment appropriate to the work performed.

The company has identified a Human Resources Manager in the figure of Mr. Paolo Cozzi.

Labor and human rights policies are generally reviewed at least once a year to keep them up to date.

YOUNG WORKERS, TRAINING AND SUPPORT FOR SOCIAL MOBILITY

Plan training courses is a company leading activity.

Training courses can be mandatory or not and they deal with technical topics (for professional development) and health promotion topics (like organizational well-being, management and human resource development) and communication.

Many employees are millennials.

The average age of the workers is 33.

The company does everything possible to ensure an inspiring, creative and challenging atmosphere, respectful of work-life balance, because it's the place where the worker spends most of his day.

Karrell wants to grow its people and their skills to grow as a company.

It has launched training and support initiatives for the mobility of the younger generations, that is characterizing company policies. It's a growing business.

In 2019 in Verona headquarter, Karrell experimented a new venture.

A boy joined the company through the young apprenticeship programme.

The experience was positive and in September, the young man was placed on a permanent basis.

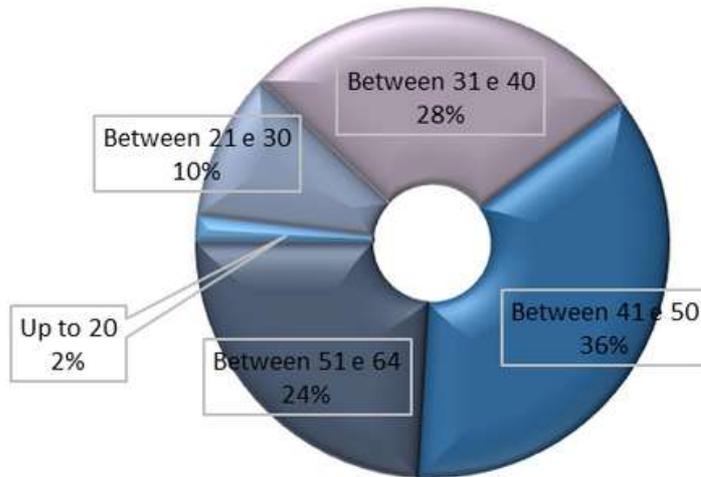
General and more specific training is provided for employees, which may also consist of several courses, depending on the job.

Refresher training are constant and regular.

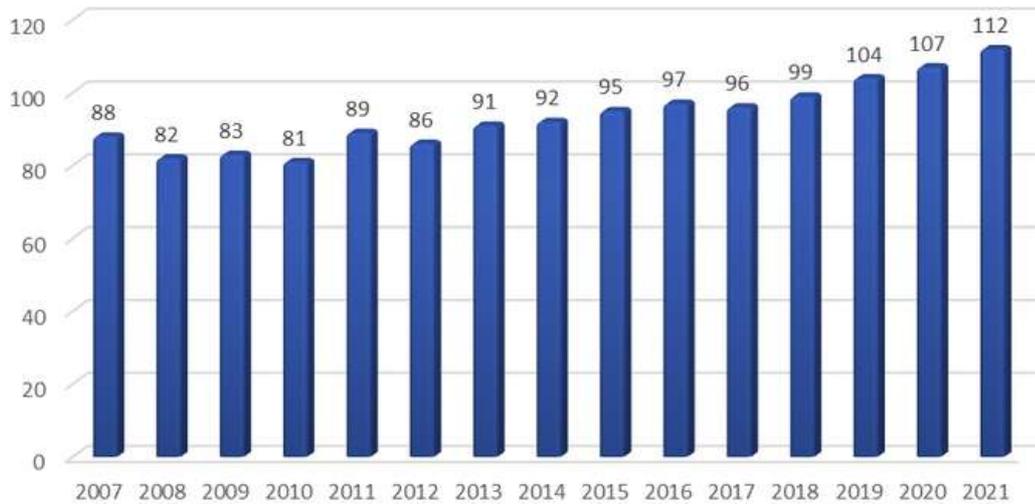


Age classes of Karrell's staff

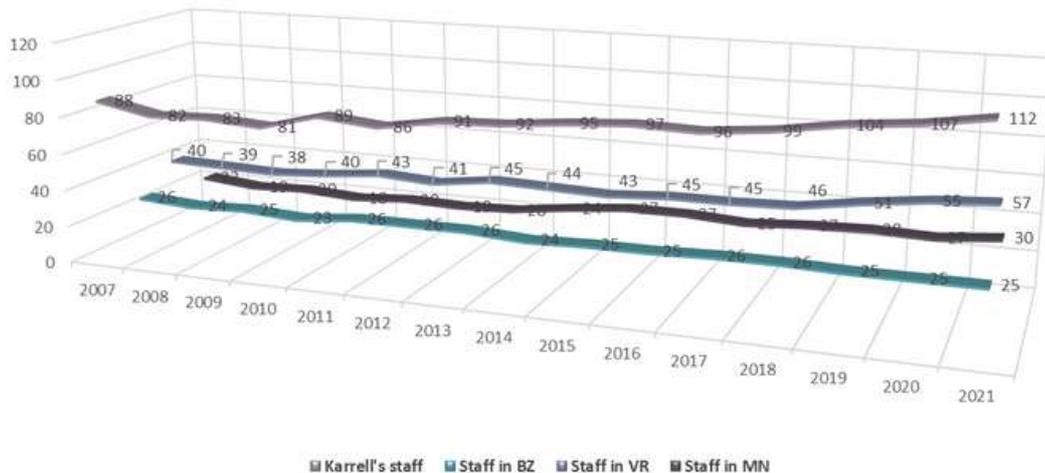
- Up to 20
- Between 21 e 30
- Between 31 e 40
- Between 41 e 50
- Between 51 e 64



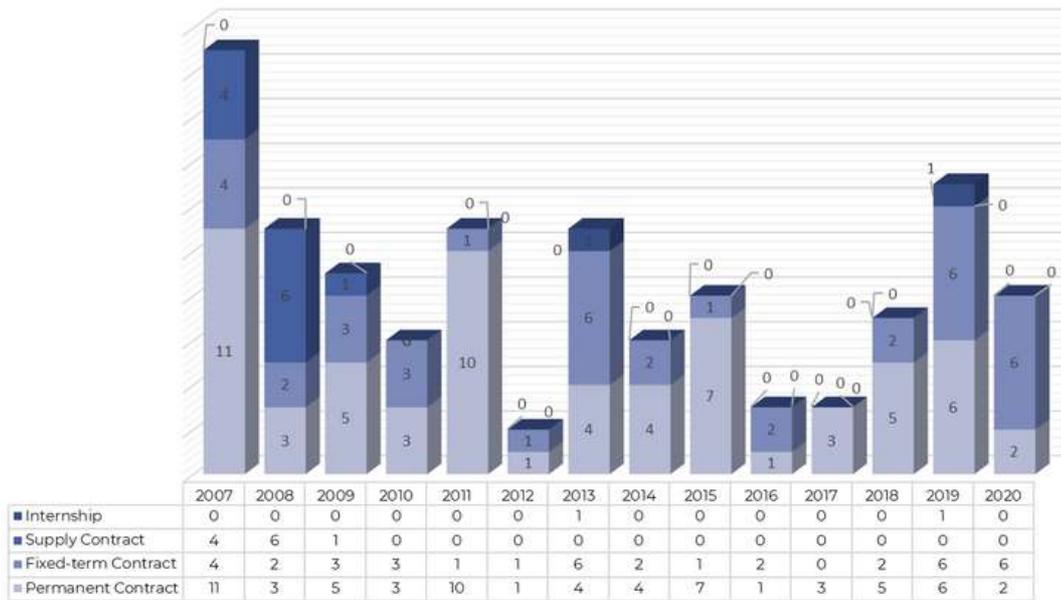
Karrell's staff



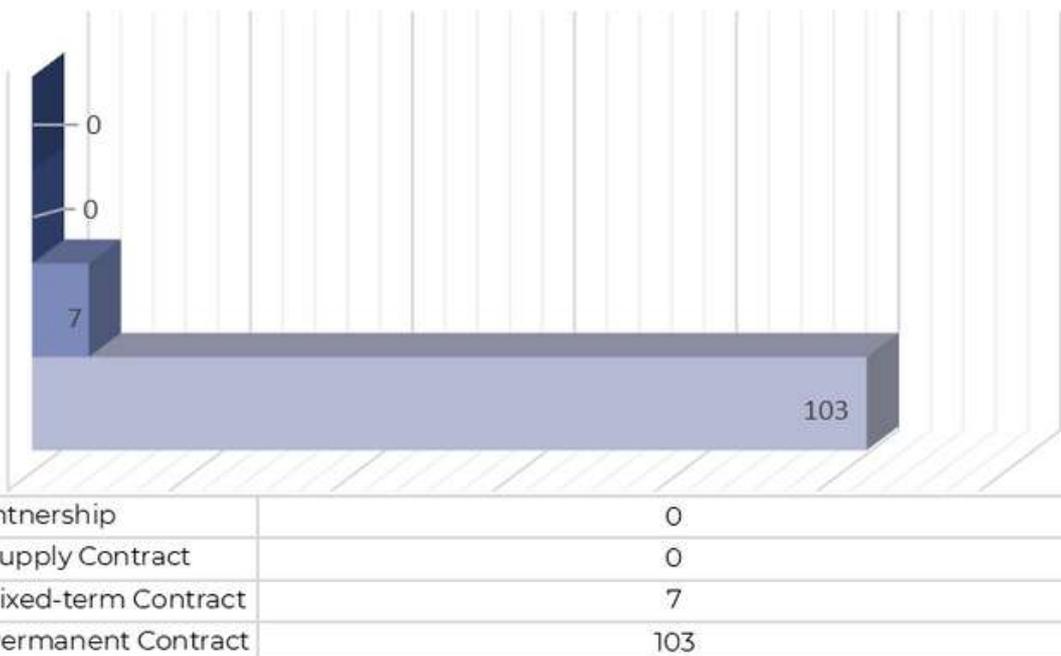
Karrell's staff total and in the operational sites



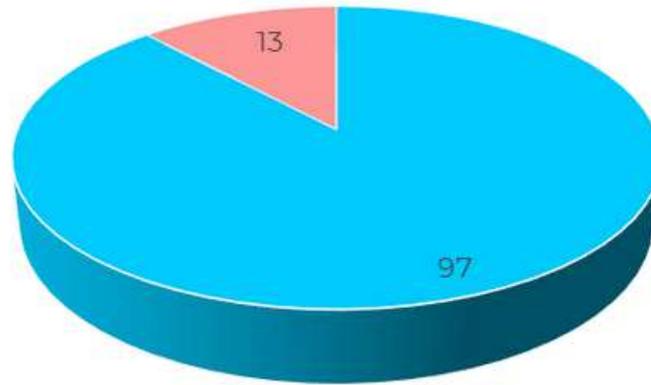
New employees hired by kind of contract



Staff by kind of contract



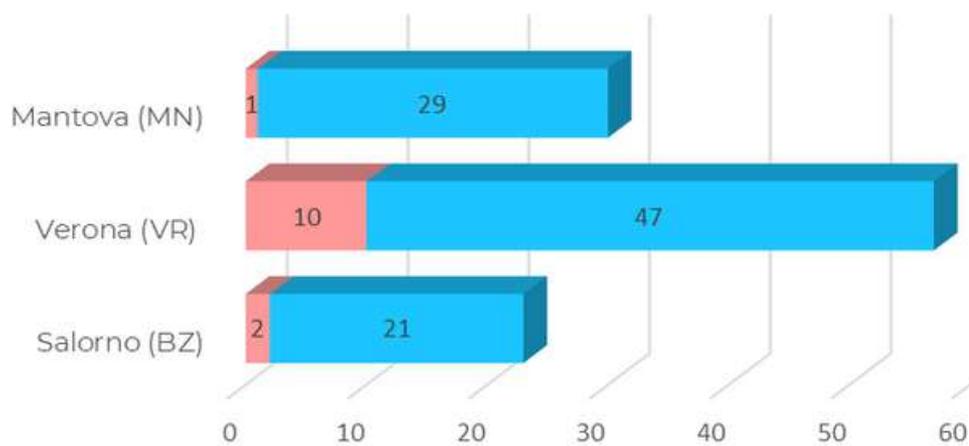
Karrell



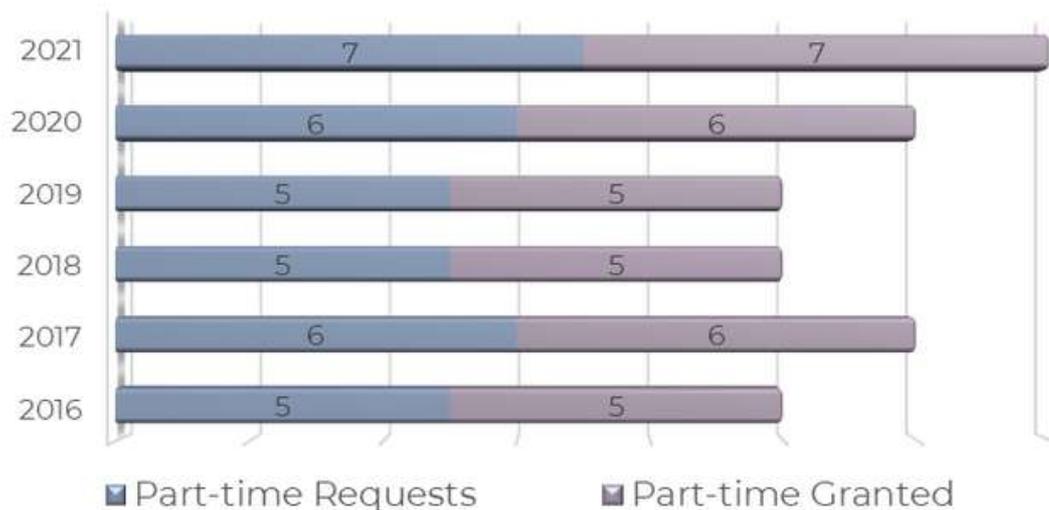
■ Total of males ■ Total of females

Breakdown by operational sites

■ Female ■ Male



Work-life balance



HEALTH AND SAFETY AT WORK

Karrell has a Prevention and Protection Service, in accordance with legal requirements, to oversee occupational health and safety issues. The tasks and responsibilities in the field of health and safety at work are clearly defined.

Each worker has been regularly informed of the Company's occupational health and safety policies, and has been properly trained and instructed to operate and perform his or her duties safely.

Each worker has been provided the training required by law, as well as specific targeted training, according to the job.

TRAINING

Karrell is involved in internal but also external training.

Training on the use of work equipment is a legal requirement in all national and European legislation concerning health and safety in the workplace.

In Italy, this obligation is enshrined in D.Lgs. no. 81 of 9 April 2008, as amended and supplemented, in Articles 71 and 73, and in the subsequent State-Regions and Autonomous Provinces of Trento and Bolzano Agreement of 22/02/2012.

Karrell offers an educational program in line with the regulations on safety at work, for the training of workers on how to use forklifts safely, in the various phases of driving, loading, unloading, transport and handling.

The training is supplemented by appropriate instruction on the requirements, tasks and responsibilities of the forklift operator and practical training.

The company provides both teachers, who have documented experience, at least three years, both in the field of training and in the field of prevention, safety and health in the workplace, and instructors, who have many years of technical-professional experience in the forklift industry.

The workers have received training in different areas, for example the one on work-related stress, to understand and recognize the phenomenon and consequently play a proactive role in the definition of prevention interventions, the one on waste to raise awareness on sustainability and make them understand the importance of proper management and disposal, or the vdt course to inform the staff using the video terminal about the risks and prevention measures to be taken.



INJURIES

A goal of Karrell has always been to reach the finish line of "zero accidents" and so protect the safety of its employees as much as possible. To achieve it, the Company has undertaken over the years a strategy of strong commitment on all fronts related to the prevention and safety culture. Since 2007, tracking existing or potential accidents (with or without human involvement) and indicators created for this purpose has been intensified.

The continuous improvement aimed at achieving what is required by current regulations on safety and environment in the workplace, such as:

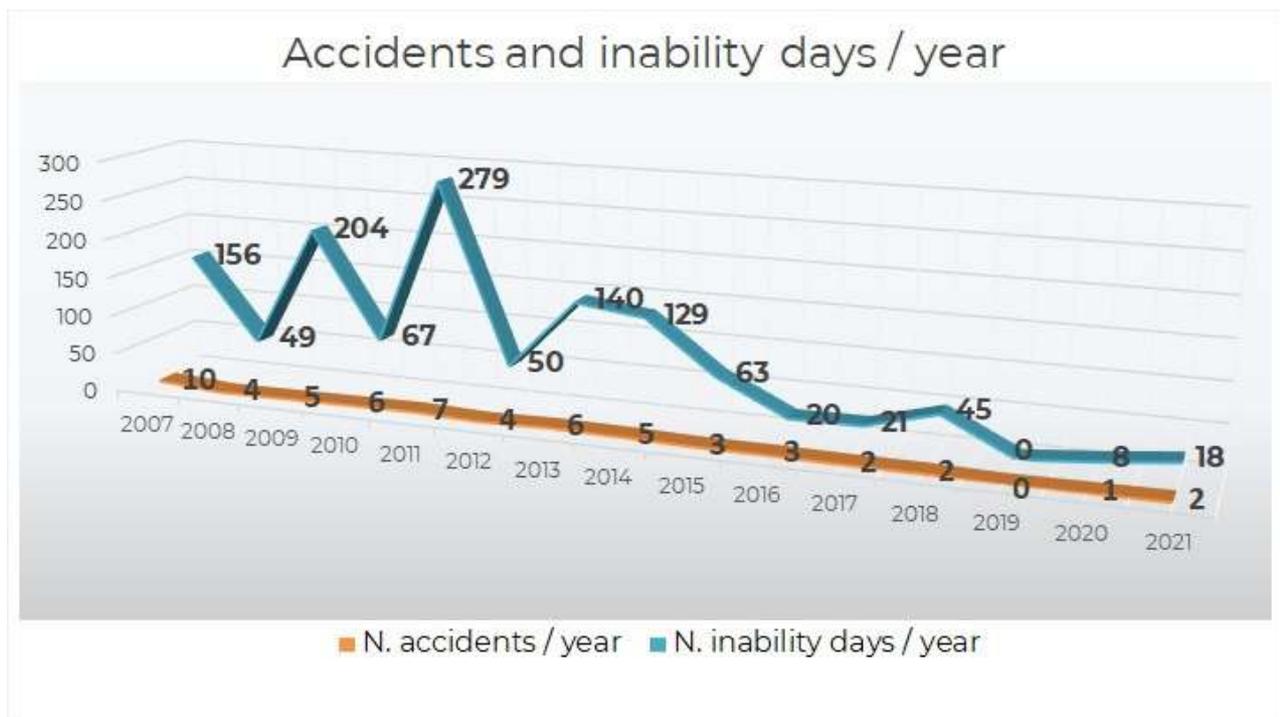
- Set up exclusively with equipment functional to the protection of users (CE marked or in compliance with annex 5 of D.Lgs. 81/2008 and subsequent amendments and additions);
- Having carried out a risk assessment on the activity of the company as well as on each task;
- Dedicate time and resources to constant training;
- Implement maintenance and intensify controls on equipment;
- Manage the relative documentation (Safety Data Sheets, job sheets, etc.);
- make available to workers all the PPE needed to perform their duties; is now manifesting into real achievements.

The involvement and participation of all and the efforts of the Management have led, since 2015, to a progressive collapse of the injury indicator, until reaching the important goal of "zero accidents" in 2019.

The Company believes that everyone's commitment to strengthening the culture of safety and prevention is the most powerful antidote against accidents at work, and the four fronts of commitment for Karrell remain:

- training
- shared and enforced rules
- monitoring
- safety culture

with the goal of maintaining the achievement.



THE GREEN SOUL OF KARRELL



ENVIRONMENTAL ENGAGEMENT

Karrell, aware of the impact that even its own business has on the environment, takes care to protect it, committing itself to sustainability, environmental protection and continuous improvement. An important concept is also that all stakeholders inside and outside the company are aware that sustainability is not only about the environment but also the economy (consumption, living conditions, poverty, etc.) and society (rights, labour, peace, health, cultural diversity). On a daily basis, we must translate these concepts into concrete behaviour, encouraging them with a culture that advances the sustainability chain in each of us.

Karrell follows up on its commitments by identifying targets for environmental aspects/impacts - related to products or services that it can control or over which it can have an influence, and for improving the management of resources, promoting, where practicable, the use of alternative sources, avoiding waste and periodically monitoring consumption. For Karrell, environmental sustainability is not merely a marketing tool, but a means of improving environmental impact, optimising costs and consequently increasing profit. Below we describe the most important environmental and sustainability aspects of Karrell.



COMMUNITY MANAGEMENT AND GREEN CULTURE

Karrell has always been interested in supporting the non-profit sector, with a focus on social responsibility and the environment.

The company has decided to invest in these issues because it believes that the duty of business is not only profit but also the future, meant as a common good, to improve the world we live in.

Corporate social responsibility must be translated into concrete acts aimed at all those involved, both directly, workers and employees, and indirectly, the territory in which we operate and society in general.

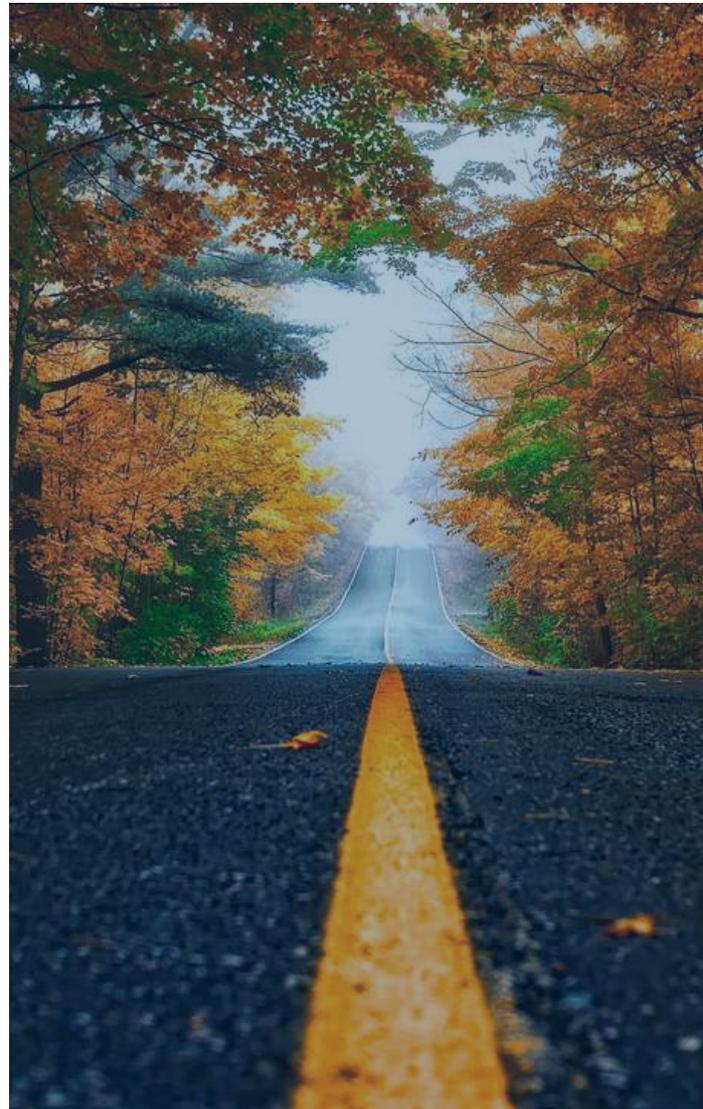
Initially, as a result of the countless requests received from various organisations, adhesions to specific projects were sporadic; the company decided to establish a constant relationship over time with a non-profit organisation, (Fondazione Fontana) which supports community-based international solidarity projects in Kenya, Bosnia and Israel.

The South Tyrolean origins of the shareholders/directors have conveyed a particular awareness of green issues.

Karrell has foreseen what is good to do for the future, that is, as far as it is concerned, the transformation of products into services and the introduction of the environmental criteria of durability, reparability, reuse, recycling in processes.

The company has been living a conscious environmental policy, a sustainable activity, strengthened by environmental management system certifications (ISO 14001), with a view to continuous improvement.

Great revolutions come about thanks to everyone's small part in making them happen.



AIR AND WATER, SOIL AND SUBSOIL POLLUTION PREVENTION

Karrell wants to prevent the pollution of soil / subsoil, air and water in compliance with legal parameters.

Periodic checks and maintenance are carried out on spray booths, oil separators and heating systems.

Particular attention is given to environmental protection by preventing and minimizing environmental impacts (e.g. spillage of hazardous substances).

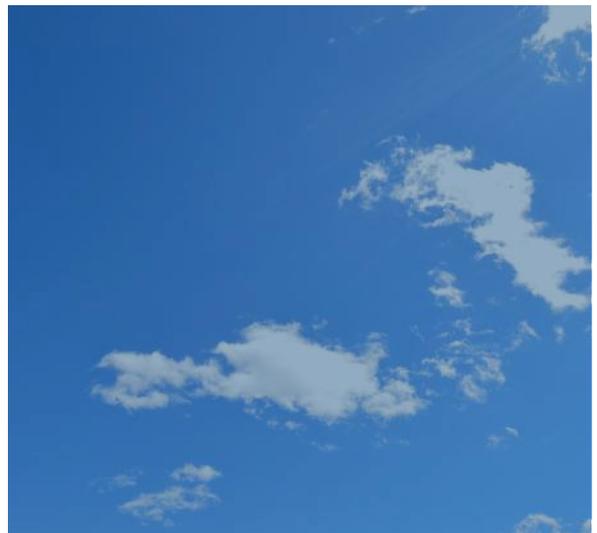
That's why anti-pollution devices have been set up in the garages of the operating sites, as well as in the areas used for temporary storage of waste.

The prevention of possible damage and the minimization of environmental impacts plays an important role in sustainability.

They can be possible through emergency simulations (fire / environmental).

Periodically takes place an environmental emergency simulation (e.g. spreading of dangerous substances).

The heads of the Internal Technical Assistance Function (Garage) organize the test by simulating an emergency under operating conditions, possibly involving all the internal technicians physically on-site.



EMERGENCY ENVIRONMENTAL ANTI-POLLUTION DEVICES

They are environmental emergency kits consisting of 100 liter wheeled bins and red boxes, distributed in many areas of the garages and also in the temporary storage areas, equipped with devices for the management of spillages of dangerous substances; the devices include: absorbent sheets and sleeves, absorbent in granules and/or powder for oils, hydrocarbons and derivatives and most industrial liquids, absorbent and neutralizing powder for sulfuric acid, rags, drain cover.

These devices have been designed to contain the dispersion of liquids, acids and oils in case of accidental leak and/or spillage. It is used in case of spillage of both small and large quantities of hazardous substances (mineral or synthetic oils, electrolyte from electric accumulators, detergents, solvents), which cause extensive spillages on the floor surface.

After the use of the kit, the aspirated and/or absorbed dangerous substances are separated and temporarily stored in the appropriate containers for proper disposal.

The Workshop Manager, also with the collaboration of workers (Technicians), periodically checks the availability of anti-pollution devices.

The choice of products is selected among all those on the market with a special focus on eco-sustainability.



WASTE DIFFERENTIATION

Karrell has a sustainable waste management policy. One of the main tools is the "push" differentiation of all waste.

Training and information courses have been given to employees for the correct management of waste, for environmental education and to make them aware of the subject at the same time.

It has also been made a cataloguing of the cer codes of the products used and a filing of the safety data sheets connected to them to allow their correct disposal and to better manage their flows.

Inside the operational headquarter, as well as on board of transport, containers have been prepared to separate waste properly marked and thus facilitate the recovery of recyclable waste (eg. paper, plastic, aluminum, wood, glass).

On the collection containers, placed in temporary deposits, the signs indicating the material to be disposed of have been made of metal instead of paper to make them more durable, resistant to sun and weather and avoid wear and tear and paper waste.

Waste containment and reduction is constantly monitored by checking whether the values are constant or decreasing. A periodic weighing of waste is carried out on a weekly basis, with which it is analyzed and weighed and recorded.

Karrell puts into practice the 3 Rs of the circular economy: Reduction, Reuse and Recycling.

Reduction of waste to be disposed of, thanks to a good control and monitoring system, recycling of trolley parts, recovery of materials such as paper, cardboard, wood, glass, plastic and metals but also with the reuse of waste given by lead batteries of old forklifts.



REDUCTION OF COMPANY WASTE

The use of plastic in everyday life has been minimized.

Was handed over all employees of operational headquarters a stainless steel bottle instead of plastic bottles.

It's made of stainless steel because it is a more environmentally friendly and safe choice, otherwise aluminium, which is a heavy metal and whose absorption by our body can generate various symptoms and disturbance.

Stainless steel can be completely recycled safely because it does not contain paints that can be toxic.

It is resistant to corrosion and inert to the materials and substances with which it comes into contact, thus not altering their composition and properties, but also resistant to the action of detergents and sanitizers with which they can be cleaned.

Thanks to its rustproofness and anti-corrosion properties, it doesn't require any coating or varnish which could chip, wear or create cracks in which germs and dirt could lurk.

These discontinuities in the coating could also trigger corrosion phenomena and lead to the discovery of toxic base materials.

The aluminum flasks, not being this stainless material, have an epoxy paint coating inside.

It is also absolutely hygienic and suitable to come into contact with food substances and is impact resistant.

The reduction of waste is a must for the company and requires the active participation of employees.

Each employee has received his own water bottle which can fill from the distributors in the break areas.

This helps to minimize a lot the use of plastic.

The vending machines in the break areas serve coffee in paper cups and the teaspoons are made of wood.



ENVIRONMENTAL / SUSTAINABILITY GOALS



Goals:

1. Containment / reduction of waste production
2. Differentiation / Recovery
3. Promote the recovery of recyclable waste
(e.g. paper, plastic, aluminum, wood, glass)

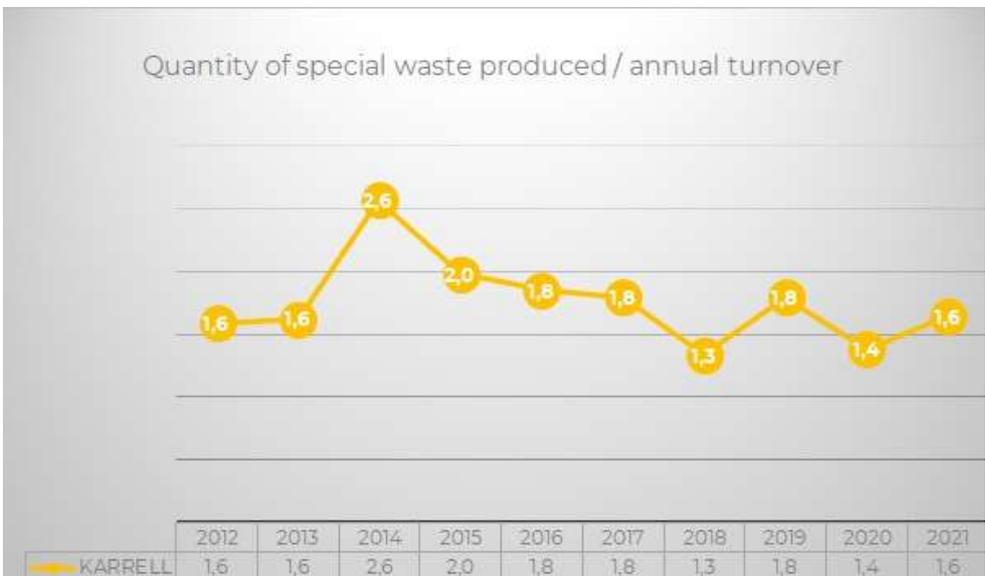
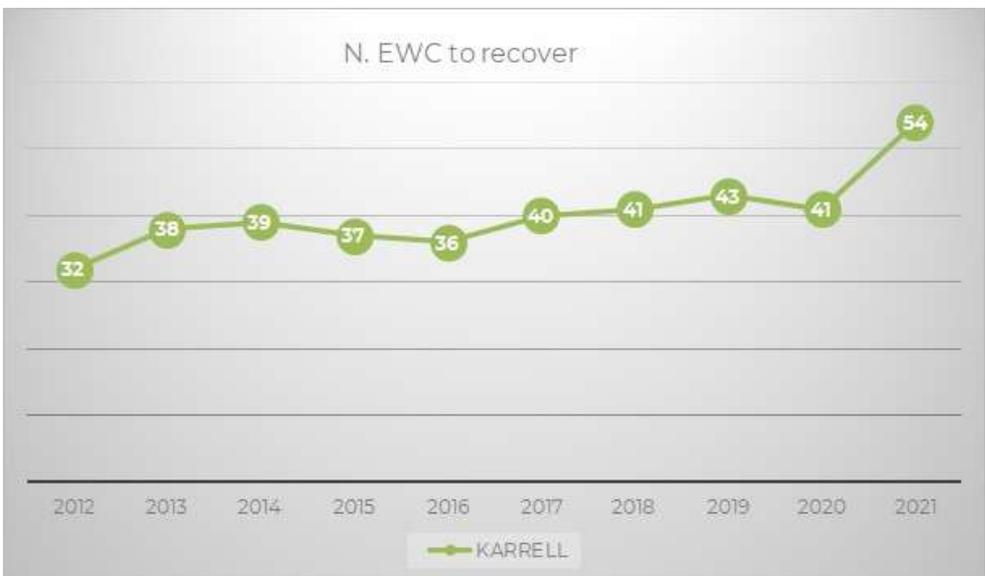
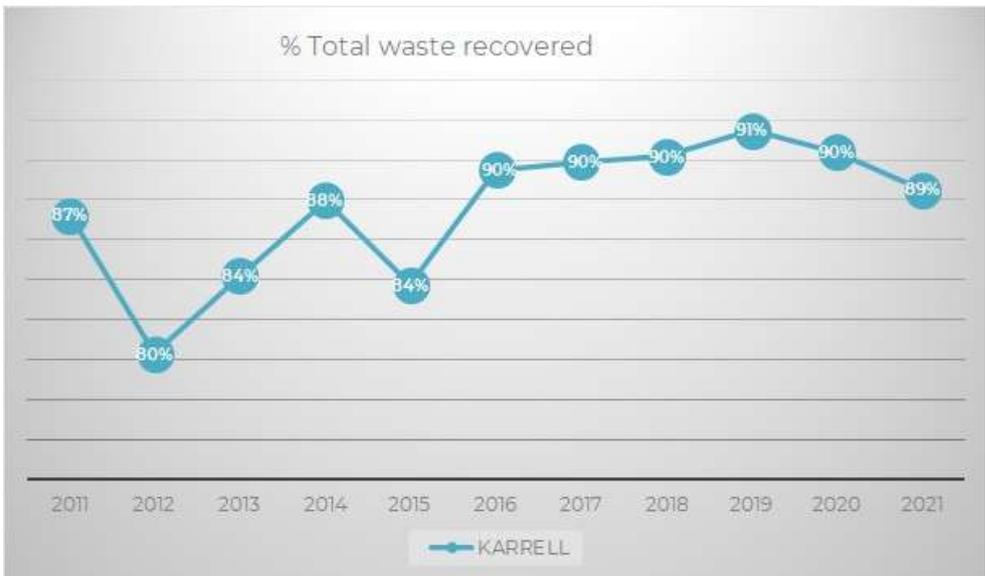
Achievements:

1. Constant or decreasing values
2. Constant or increasing values
3. Constant or increasing values

Indicator:

1. $(\text{Total quantity of waste produced} / \text{annual turnover}) \times 100$
2. Percentage of waste sent for recovery on the total of special waste





PAPERLESS OFFICES

In the offices was made the choice to install a few rented multifunction printers for each headquarter, with quota-prints.

Karrell decided to digitize all document management processes and more generally all business processes, to avoid or minimize the production of paper documents and replace existing ones by transforming them into digital.

The documents are stored on a server that guarantees the security, integrity and availability of the data and direct access only to those who are entitled to them, processing the data in compliance with privacy regulations.

Karrell try more and more to manage the company documentation without it being printed (letters, offers, invoices, transport documents, etc.); when the document should be signed, the company relies mainly on IT technology support.

This has allowed to: reduce costs, a more appropriate use of the workforce, greater quality, flexibility and efficiency and greater speed in meeting customer needs.



ENERGY CONSUMPTION AND EMISSIONS

GHG EMISSIONS



Karrell relies on a team of experts in energy efficiency and energy market, which plays a decisive role in strategic and management choices.

Energy monitoring is a basic activity for the company because it's the basis for the activation of a virtuous circle of continuous improvement in which energy efficiency is not a one-off goal but the gradual achievement of greater energy efficiency.

It is important to monitor, analyze and control consumption to minimize waste.

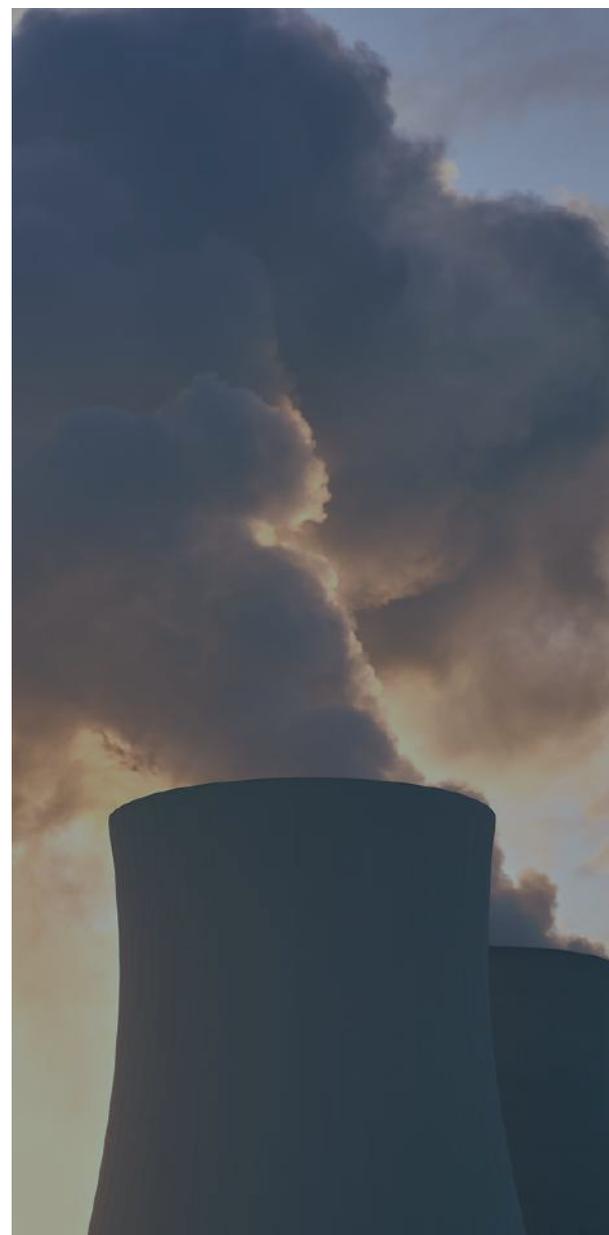
A monthly consumption report is made in order to maintain a level of efficiency and containment.

Monthly (at the end of the month) is made the reading of meters for electricity, methane gas, drinking water. At the same time with the counters readings is verified the state and cleanliness of the meters and the methane gas counters and the well where the water meter is placed. There is a rationalization of energy consumption, in order to evaluate the energy expenditure of the company and has also been realized the CO2 consumption balance-sheet report.

The company has decided to optimize electricity consumption and to obtain energy savings through the use, where possible, of automatic presence/absence sensors and the optimization of natural light.

The lighting has been improved by replacing many lighting fixtures with LED technology.

Studies show that proper lighting has positive effects on people occupying an environment. By providing the appropriate lighting for a given activity and a personalized control of the same, it improves the comfort and well-being of people that lead the improvement in productivity.



ENVIRONMENTAL PROCESSES GOALS *MONITORING AND MEASUREMENT*



Goal:

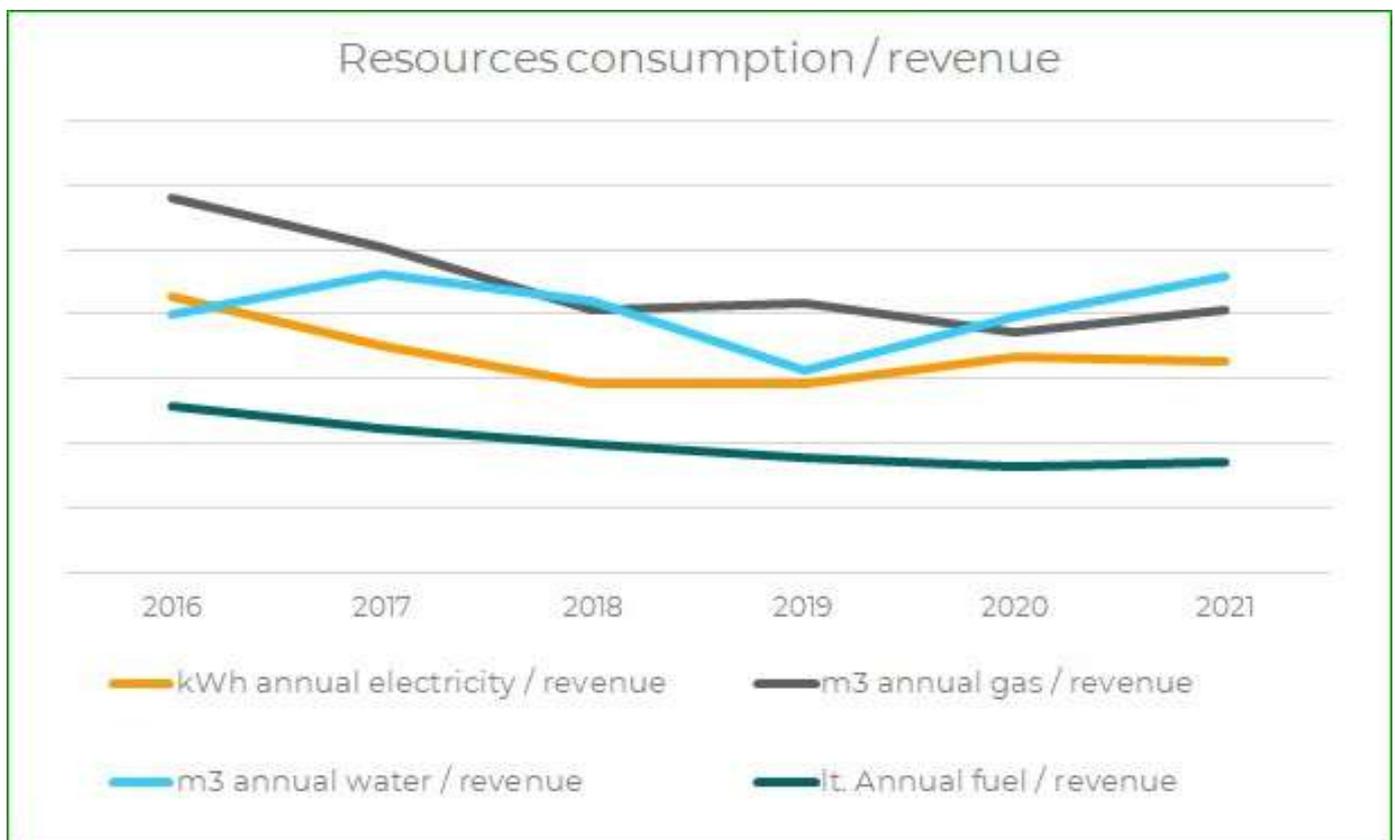
Rational and efficient use of natural assets

Achievements:

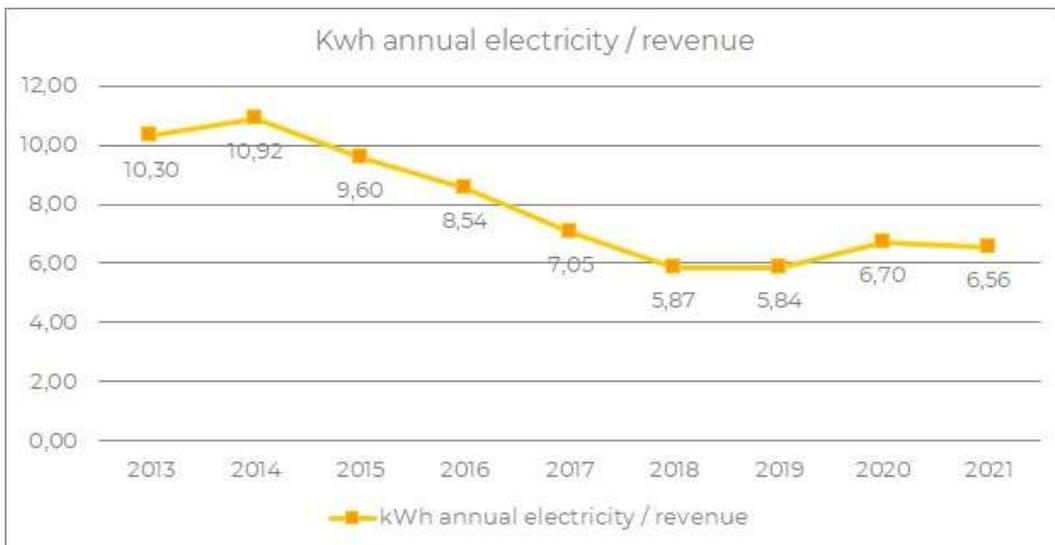
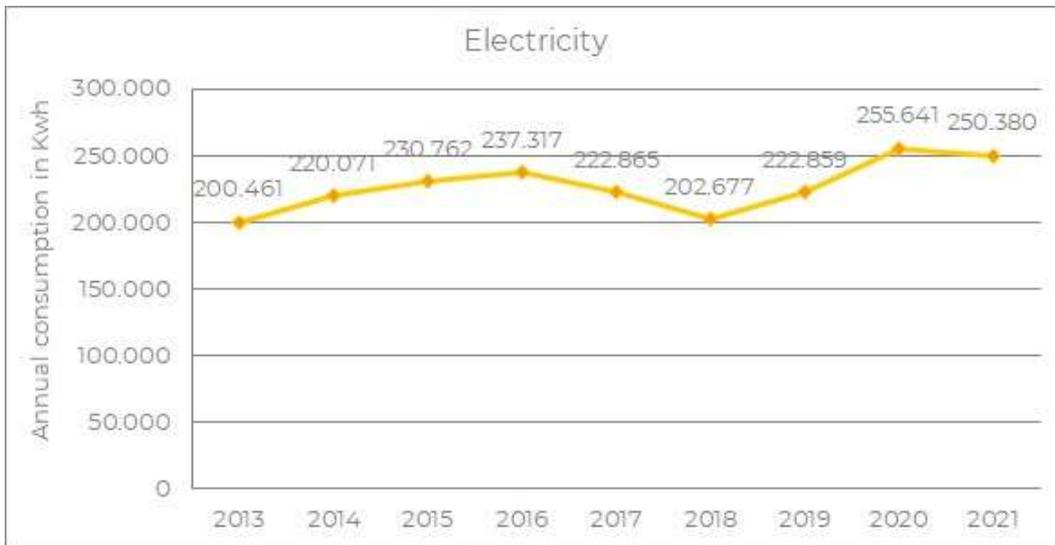
constant or decreasing consumption of resources (diesel fuel, electricity, water, gas)

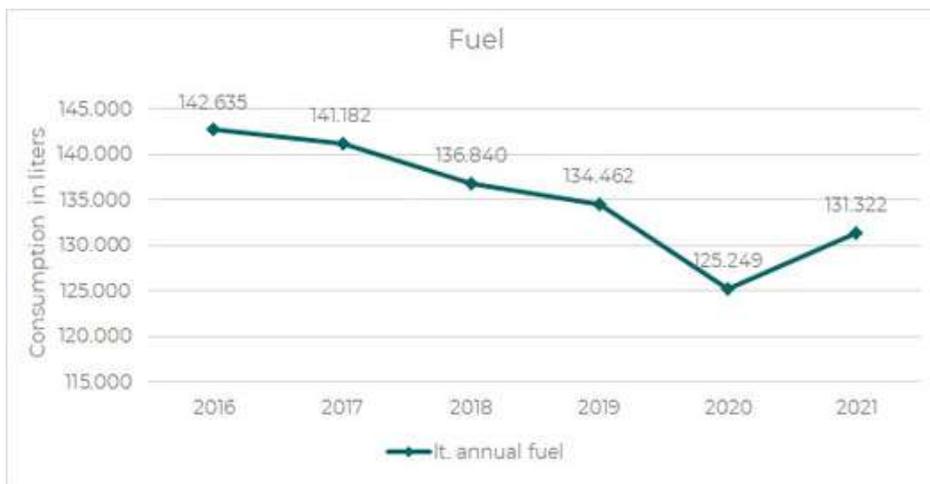
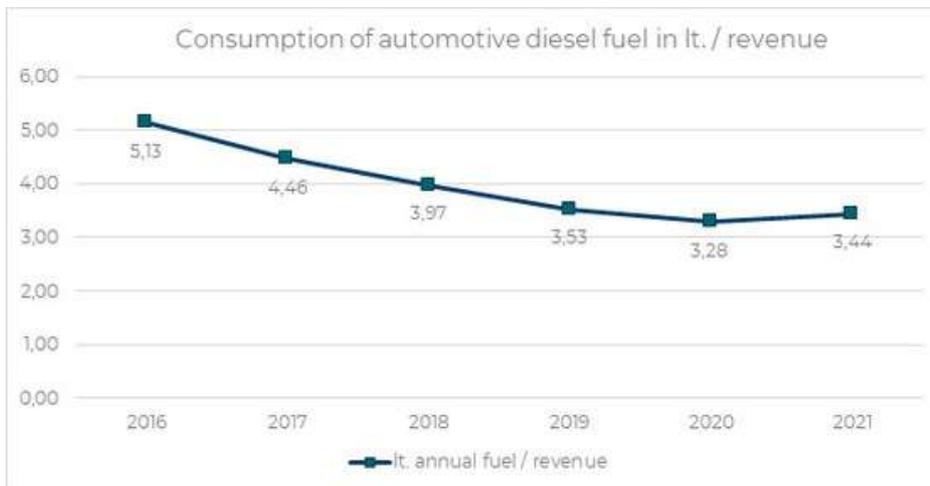
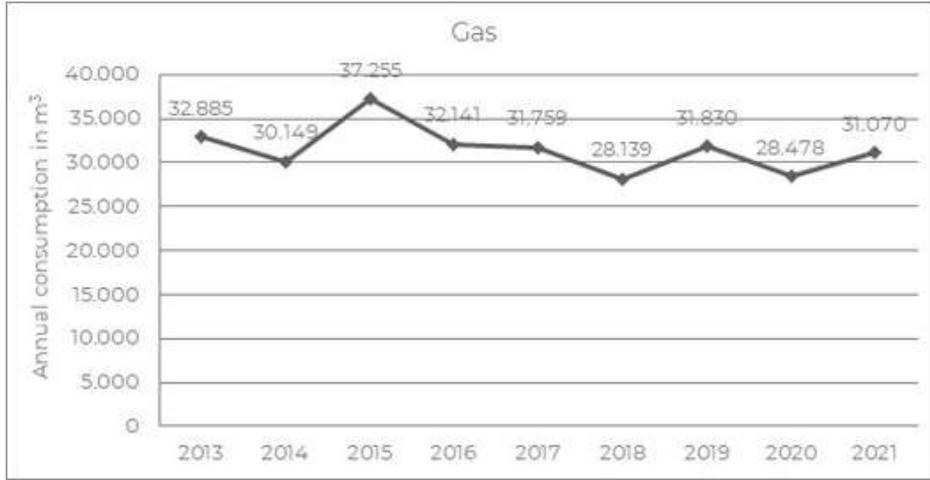
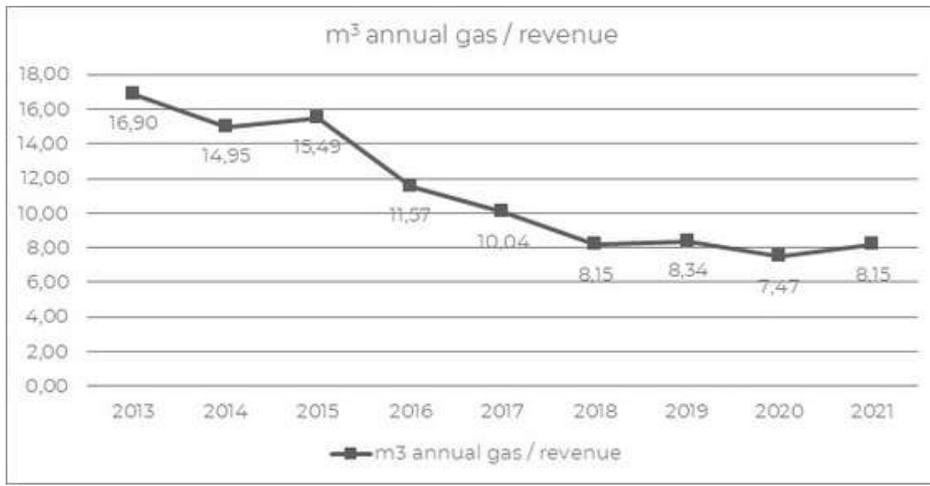
Indicator:

1. lt. annual fuel / revenue
2. kWh annual electricity / revenue
3. m³ annual gas / revenue
4. m³ annual water / revenue



ELECTRICITY

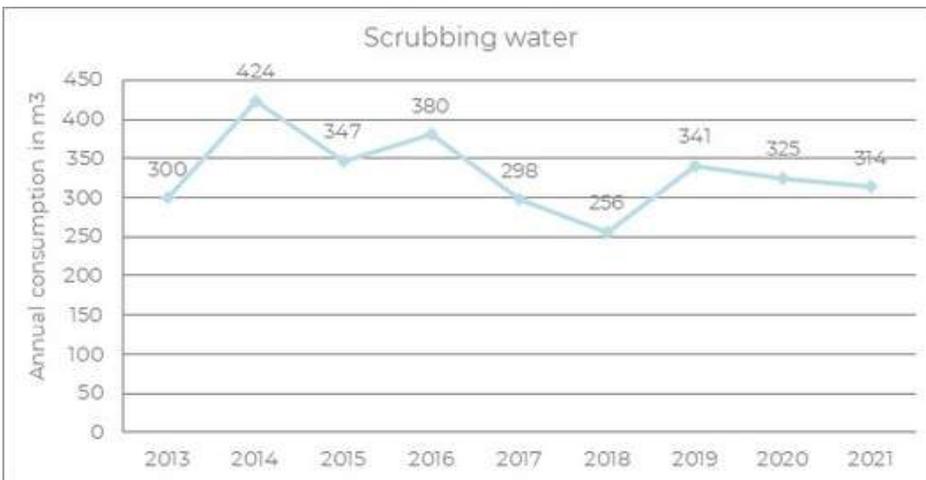
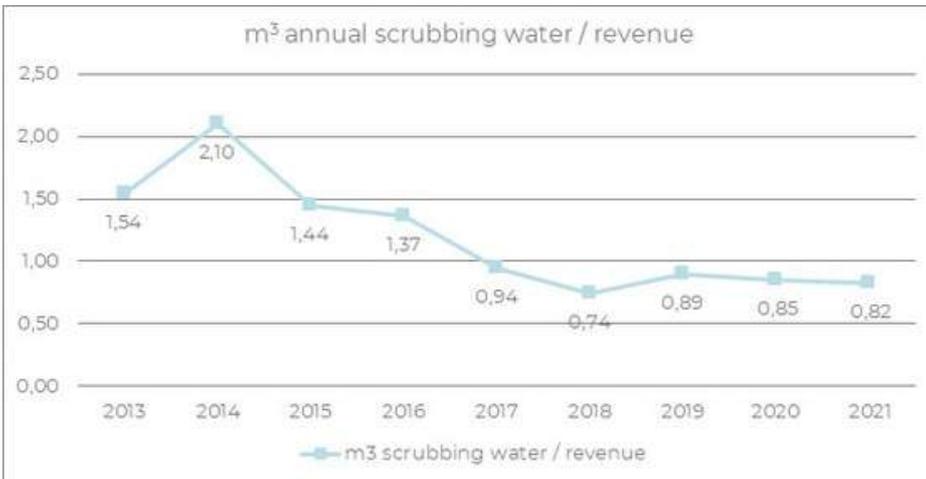
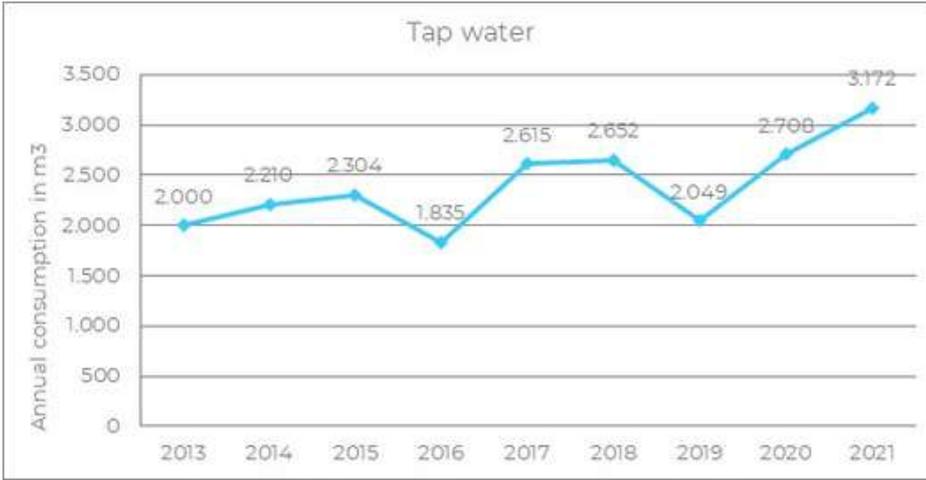
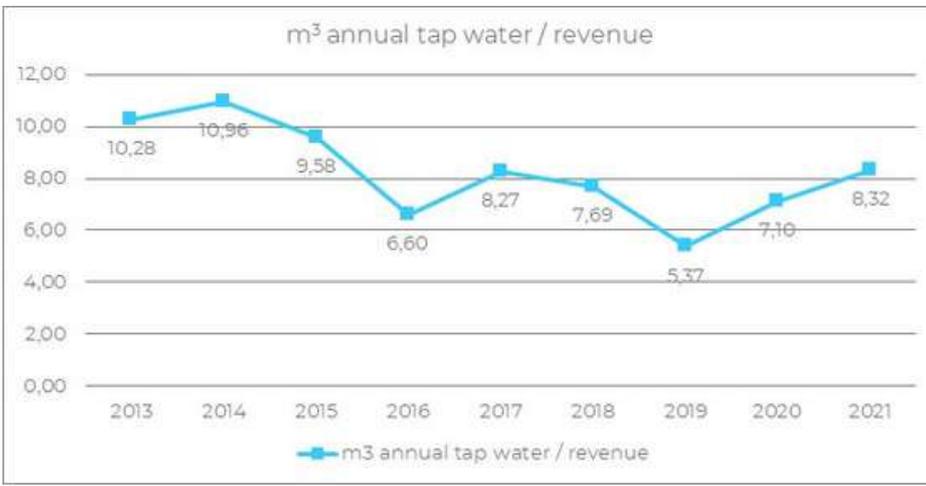




GAS

FUEL





TAP WATER

SCRUBBING WATER



ENVIRONMENTAL AND SUSTAINABILITY GOALS

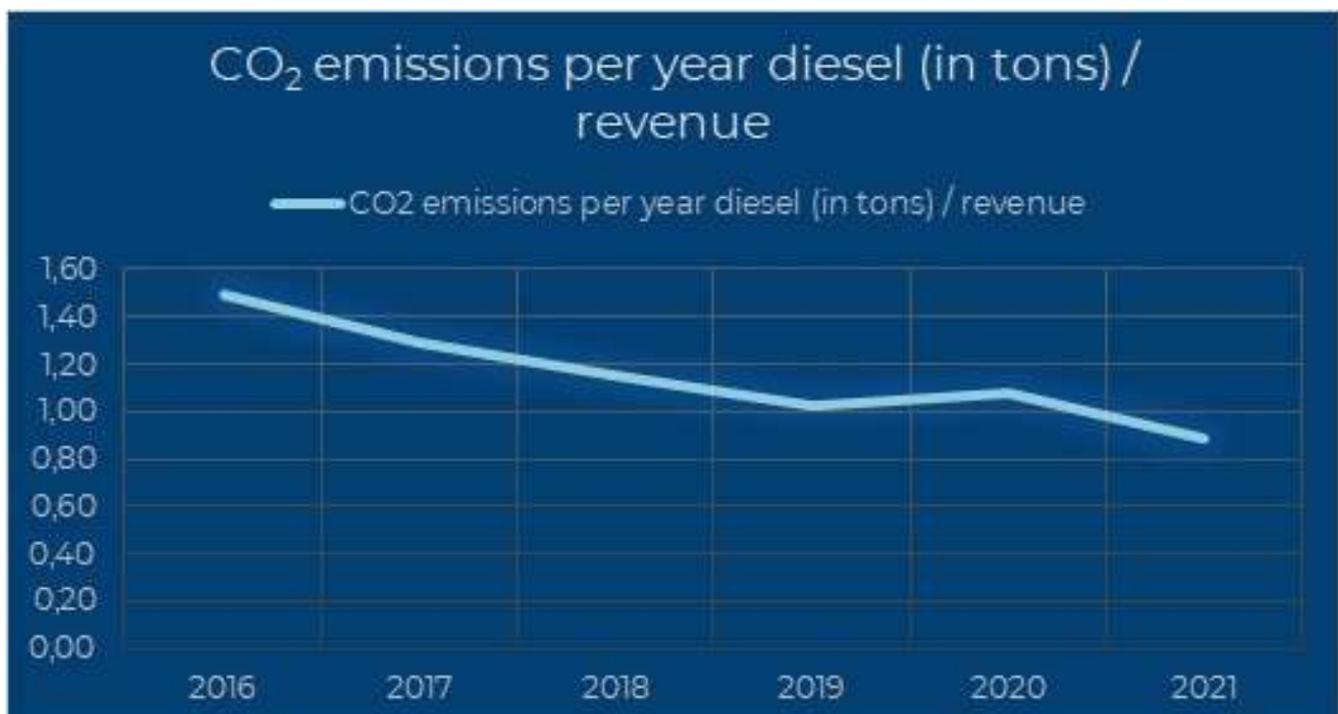
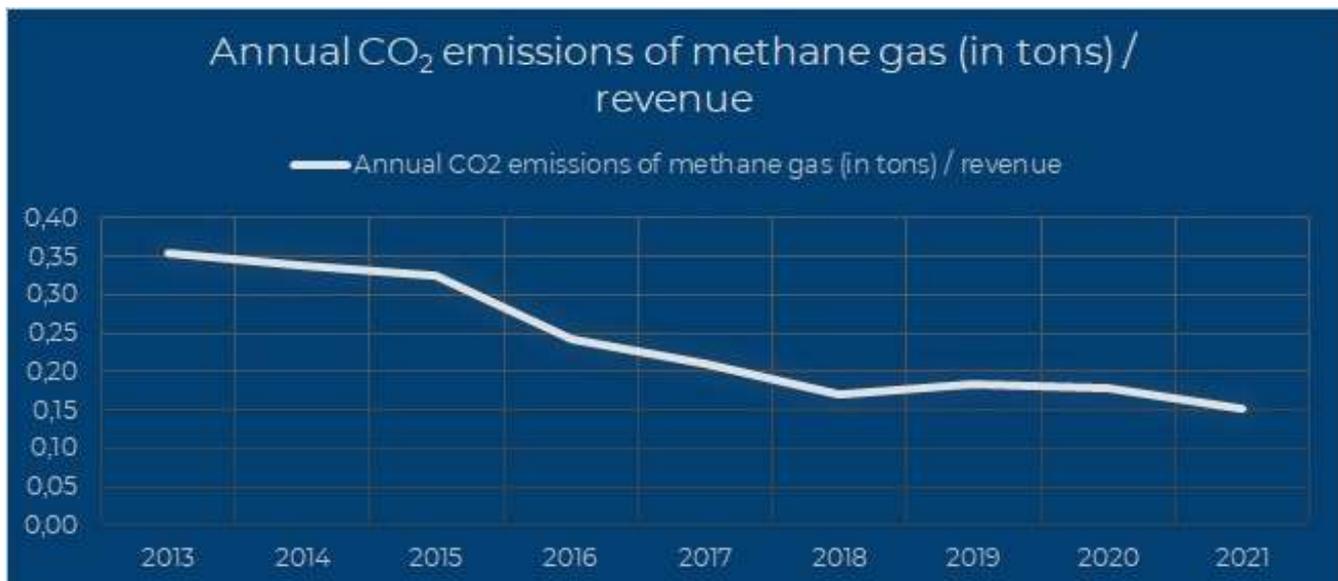


Goal:

Containment / Reduction of CO2 emissions

Achievements:

Constant or decreasing CO2 emissions



HR VIRTUAL TOOLS

Karrell has equipped all the technicians working outside the company offices with a virtual presence detector. This is an application that allows you to use any device to manage the presence of working days.

In the operational offices, instead, there is an electronic terminal at the entrances, which reports the attendance data to a server that allows to collect the information necessary to detect the presence, allowing the control on several territorial offices, in an easy and fast way.

It has also been implemented an app for the delivery of documentation such as payrolls / paychecks, and W-2. Each employee is able to display, download or keep the document in the archive of their profile. This allows a better respect of privacy and a saving both in terms of time and paper consumption and also economic.



SOFTWARE MANAGEMENT SYSTEM

Karrell has created a software for the management of all company deadlines. The module conveys the deadlines from the individual management modules and allows the creation, registration, planning of activities related to the various system needs (Environment, Safety, Quality), administrative or related to events attributable to entities, infrastructure, departments, business areas, customers and suppliers, to avoid the risk of delays and non-compliance. Having a portal of this type reduces management time, optimizes team work in the various stages of the process, reduces the risk of non-compliance due to disorganization and process inefficiencies, the risk of administrative penalties for failure or late compliance and criminal liability.

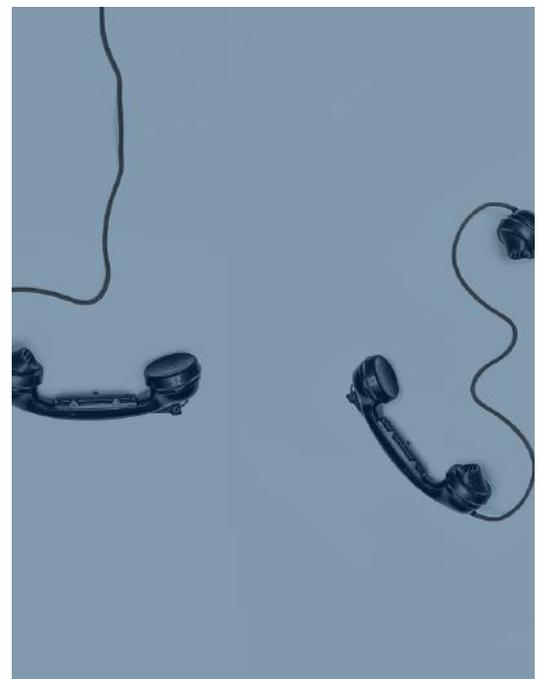


INTERNAL COMMUNICATION

Karrell's internal communication takes place digitally in order to ease interactions between employees while maintaining a climate of trust, quickly shares information, increases employee engagement and makes work routine more efficient. All communications are tracked this way, whether top-down (from top to bottom-up) or bottom-up (from employees to managers) and saved where needed on the company server, avoiding paper wastage. Communications are usually short and clear and usually take place via email or through software that has been installed on the PC that allows you to view the status of other colleagues saves time, avoiding unnecessary call transfers or voice messages and making it easier to manage and work with remote employees. Employees can also communicate with each other through text chat, without the need to rely on third-party messaging systems.

90 % of employees have a device with a company account that allows email and chat communications.

The communication of operating manuals, company regulations, procedures to follow, operating instructions, forms, minutes and checklists, records, as well as other supporting documentation takes place through the use of technology, resulting in better profit in terms of cost savings, environmental sustainability and better management and control of the information transmitted.



MANTUA HEADQUARTER



Karrell headquarters in Mantua, was built with an x-lam load-bearing structure and with sustainable materials.

It has external coatings and breathable siloxane plaster. The larch wood sunshades have been designed for a natural control of summer radiation. The central body, of 4 floors is a perfect cube that measures a side of 14m.

The front pitched roof is finished with a sheet metal covering with double seams and houses a photovoltaic system with a power of 20 kWp.

The photovoltaic system was chosen because the energy it produces is absolutely clean because it is obtained in a simple way, through a physical conversion. There is no combustion and no chemical reactions take place.

part of the process. The environmental benefits that can be obtained from the adoption of photovoltaic systems are proportional to the amount of energy produced, assuming that it replaces the energy otherwise supplied by conventional sources.

The Karrell structure is the concrete demonstration that healthy, comfortable and sustainable working environments can be achieved using advanced materials and construction techniques. The thermal insulation of the casing has been designed to allow pleasant temperatures in all seasons, limiting energy consumption and maximizing comfort for users.



TRANSFORMATION OF "PRODUCTS" INTO "SERVICES"



With a focus on sustainability, we have turned product into service through rental. Renting is an attractive and safe opportunity, both for those who use it temporarily and for those who consider renting as an alternative to buy a forklift. Rental allows for benefits, such as maintaining the efficiency of the truck over time, minimizing the risk and cost of downtime thanks to the pre-servicing carried out by Karrell, and ensuring, through technical assistance the continuity of the customers' production process.

Used Sale and Rental

Goal: Processing the product into service

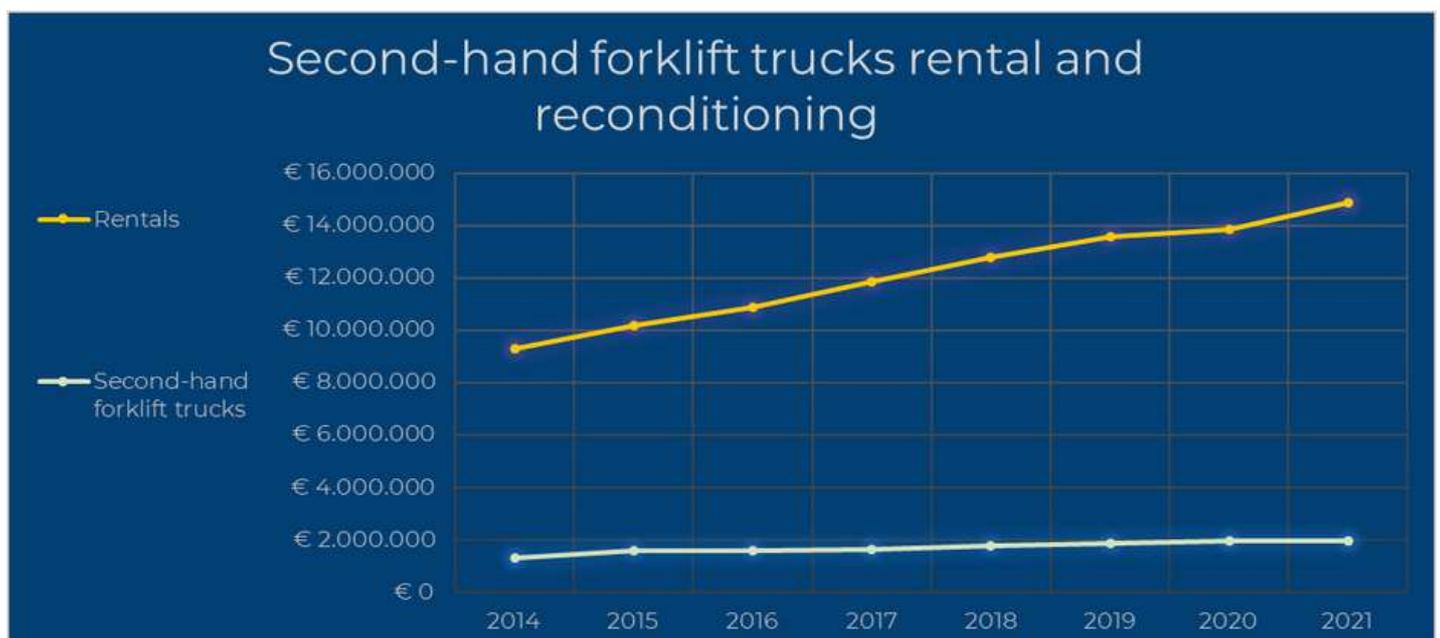
Target: Rental increase (compared to previous year)

Indicator: Revenue / Increase

Goal: Product life cycle extension (reconditioning used forklift trucks)

Target: Increase in second-hand sales (compared to previous year)

Indicator: Revenue / Increase



RECONDITIONED FORKLIFTS

Karrell give a new life to the old forklifts, focusing on sustainability once again.

At the end of the rental the forklift doesn't end its "life cycle" but is reconditioned to increase its lifespan and to be used again.

In this way Karrell extend the life cycle of the forklift truck instead of starting it up for disposal, in order to give it a new life, creating a circular economy.

"Reconditioned" or "regenerated" means "as new" and consists of a used or broken product that is mostly recovered to be marketed (sale or rental) at a lower price and much more competitive than a new cart.

Every reconditioned product once arrived is checked and returned to the condition of a new one.

Each product is tested and verified, each damaged or non-functioning part is replaced and numerous tests are carried out to make sure that each product is functioning before it can be reused.

All this allows, in general, a lower use of raw materials, a lower energy consumption, a reduction of pollution and the production of GHG (CO₂).



NATURAL GAS FLEET

Karrell keeps the fleet of vehicles always efficient through their maintenance and replacement for older vehicles.

In addition, it is making its fleet more environmentally friendly by providing external technical support with vehicles powered by alternative fuels that significantly reduce pollutant emissions, and is gradually converting part of its fleet to natural gas.

This year, 10% of vehicles have been converted to methane powered vehicles.

Mobility has also been reduced, not only for an increase given by the reduction of the home-work trip for those who work in smart-working and flexible working for office employees, but also for the mobility of external technicians, who are equipped with company vehicles for work use and whose movements are optimized at best (for example with departure and arrival from / to home) to avoid pollution and reduce the consumption of resources.



INTRALOGISTICS

Karrell Intralogistics is a division of Karrell.

The company has more than 40 years of experience in internal logistics/supply-chain. It deals with tailor-made services to organize and manage warehouses. Many services are offered: material handling flow analysis, cost and yield projections, study and development of optimal warehouse layouts, consulting and insertion of WMS and RFID software and hardware systems, racking for static warehouses, vertical automated warehouses, mini-load and traslo automated warehouses, LGV laser-guided automated shuttles, revamping of obsolete warehouses, and forklifts.

Maximizing logistics space and processes also means reducing travel, resulting in reductions in energy and CO2 emissions.

It also offers revamping, retrofit and replacement solutions for old facilities.

Specifically, dated plants are replaced, managing their disposal, to mount new generation ones.

Examples of sustainable solutions include Power Pick Onboard warehouse management software, equipped with remote service applications, and Life Cycle Services are offered for product life cycle management, with multi-year service and maintenance. This type of operation results in a very significant reduction in operating costs and energy consumption. It extends the product life cycle. It optimizes space by reducing waste. It also prevents unforeseen failures and downtime, so that it does not happen that new goods cannot be stored and consequently stored goods cannot be picked up, which would inevitably lead to the resulting delays in production and delivery and we know can be very expensive. That's why Karrell provides a wide comprehensive range of eco-friendly solutions tailored to the customer's needs.



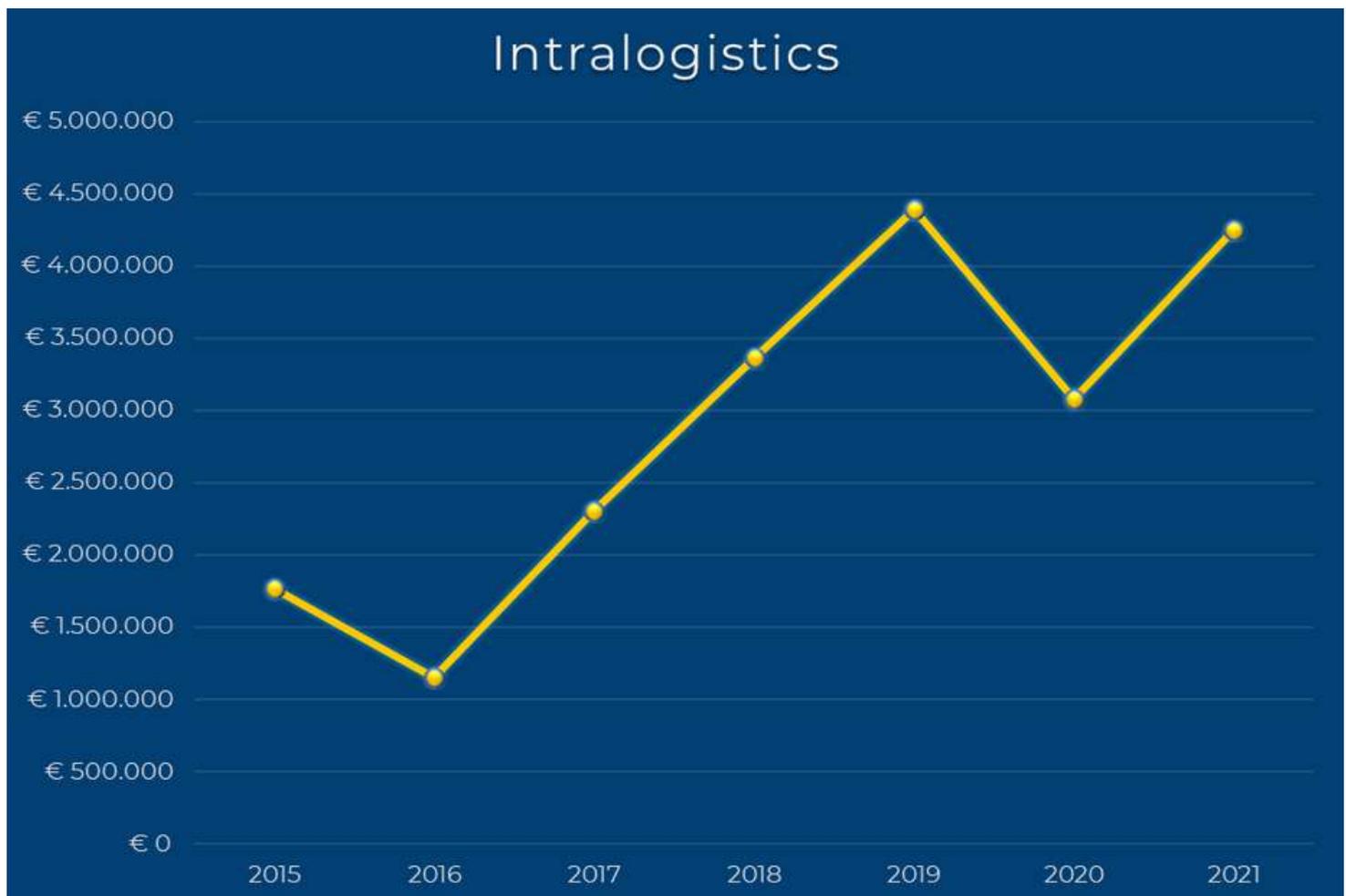
"PROCESS: INTRALOGISTICS (SALE OF INTRALOGISTICS SYSTEMS)"



Goal: Optimization of supply-chain processes

Target: Increase (compared to previous year)

Indicator: Revenue



SERVICE AND ENVIRONMENT

Karrell Service (forklift maintenance on-site) is very keen on the environmental impacts it may have and has trained its employees on environmental aspects and impacts and the behaviors to be adopted.

Technicians are not authorized to carry out pouring operations in the absence of containment systems; they must avoid spills of products and/or waste in a liquid state; and if, due to accidental causes, a spill occurs, they intervene promptly to cancel or minimize its effects.

Outside service technicians are required to equip themselves with and use hazardous substances only in the amount strictly necessary for use, to store them within original containers so as to allow identification of the product and resealable so as to prevent spillage of the contents.

Maintenance workers are also equipped with technical cloths and oil-absorbing mats in case of need.

These equipment are also not disposable but recyclable and reusable.

Regarding possible water and sewage contamination, outside technicians make sure there is a dedicated area and perform maintenance operations only in that area and do not pour into water drains, sewer manholes or other drains residues of mineral oil, chemicals or any other environmentally hazardous substance.

They also do not carry out handling or racking hazardous substances or waste near water drains and manholes.

Concerning the consumption of electricity and water, as well at the headquarters of the customers, they are used rationally the resources to avoid waste.

To reduce energy consumption, we always remember where and when it is necessary to keep ambient lighting or other electrical consumers on.

ECO-FRIENDLY UNIFORMS

Karrell provides its workers with service technician operational duties both representative and work clothing; the uniform is not purchased but rented.

Studies have shown that a percentage of the microfibers in the oceans come from worn-out clothing, and the percentage is continually increasing.

Hired clothing is a sustainable choice to have control over the durability, wear and washing of garments in order to reduce waste. In fact, the Supplier remains responsible for the maintenance and preservation of the product, also taking care of the washing and sanitization, allowing to avoid unnecessary consumption and consequently reducing environmental pollution.



CERTIFICATIONS

Karrell has chosen to certify its business systems and processes, by complying with ISO 9001 and ISO 14001 standards.

Karrell has also undertaken a specific path for the purpose of adopting of a Health and Safety Management System (SGSSL), in accordance with the UNI INAIL Guidelines and the ISO 45001 standard, integrating it within the already existing Quality and Environmental Management System.

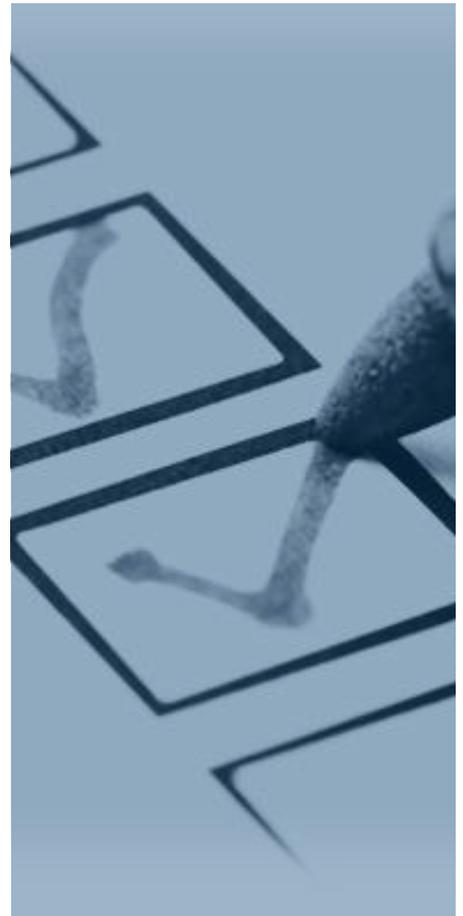
With this activity Karrell wanted to supply itself with a tool that can guide it in the correct identification and control of risks, in the decrease of injuries, in the implementation of compliance legislation and in improving its performance.

Karrell believes in sustainable global growth in the common interest of all Stakeholders, both existing and future.

Karrell protects safety and health in the workplace and believes that it is fundamental, in the performance of economic activity, respect for workers' rights.

Karrell fully agreeing with the said line, aims to "work safely," that is, to ensure compliance with standards of prevention and the adoption of "safe" behavior for the benefit of the protection of people and the environment and requires the adoption of the following rules:

- complying with the mandatory requirements of applicable regulations and laws concerning the protection of occupational health and safety and environmental protection;
- actively involve workers on issues concerning occupational health and safety and share prevention goals with them;
- preserve the protection of health and safety also through periodic monitoring activities in workplaces, with the aim of preventing dangerous behavior;
- contribute concretely, through the continuous improvement of production processes, to respect for the protection of health and safety, as well as the environment;
- ensure compliance with the rules of the "MOGC" and the Code of Ethics.



LEGISLATIVE DECREE NO. 231

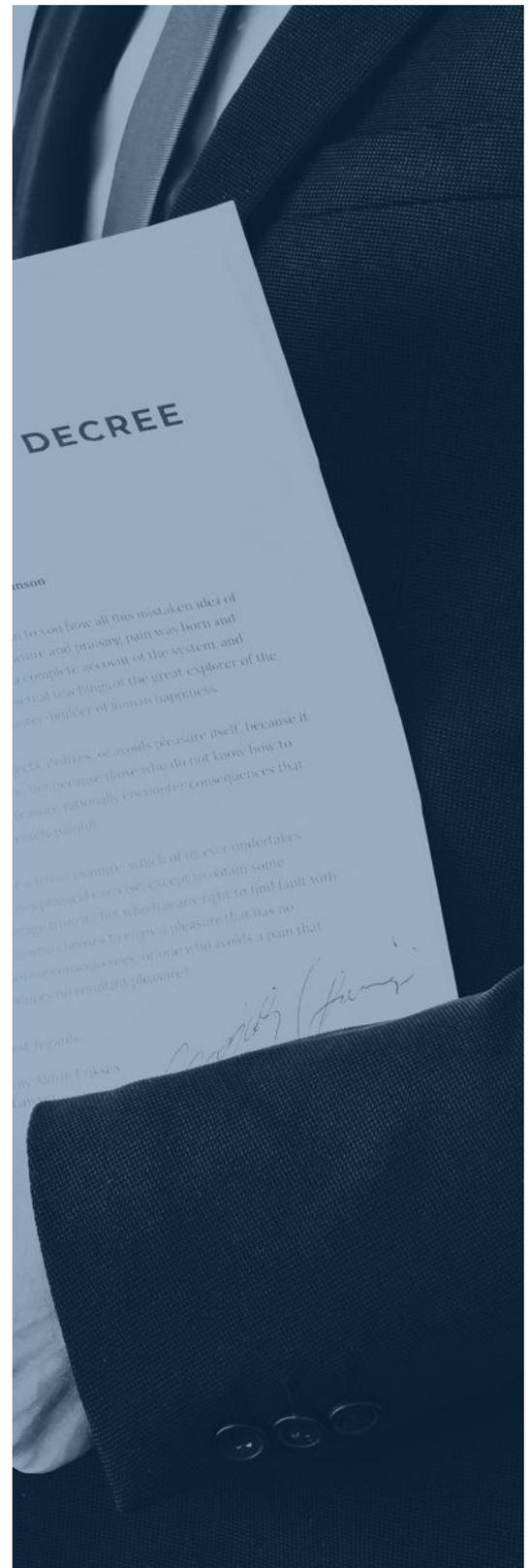
Compliance with applicable laws and regulations is a key concern for Karrell.

Compliance with mandatory requirements, related to the products and services provided, the environment, occupational health and safety, and people's rights, as well as contractual requirements agreed upon with stakeholders, is also imperative for Karrell.

For these reasons and in order to enforce corporate compliance, Karrell has opted to implement and maintain the "Organization Management and Control Model" setting up a Supervisory Board, in accordance with Legislative Decree No. 231/2001.

The company, for the purpose of the operation of the MOGC, is committed to the continuous improvement of the "Integrated Management System" (Quality / Environment / Health and Safety) in order to meet the needs of all stakeholders and improve the overall performance of the Company. Employees actively support and participate in order to contribute to the effectiveness of the Management System, each according to his or her role, maintaining a relationship of trust with all stakeholders.

The entire Organization is involved by promoting information, awareness, and training initiatives in the areas of quality, occupational health and safety, environmental protection and social responsibility, and the dissemination of corporate values based on honesty, constructive and purposeful involvement, observance of rules including unwritten ones, and mutual respect of all stakeholders.



ENVIRONMENT AND SUSTAINABILITY POINTS

Karrell's commitment to environmental and sustainability concerns:

- transformation of "products" into "services" (rental) and extending the lifespan of goods (reconditioning used forklifts - circular economy);
- innovative solutions, in the intralogistics - supply chain, tending to space optimization and route reduction;
- identification and assessment of all environmental aspects and impacts arising from business activities and control of those with significant environmental significance;
- ensuring an adequate level of functionality and efficiency of facilities in order to prevent pollution and potential accidents;
- rational and efficient use of energy resources to avoid waste, contain consumption and emissions;
- environmentally risk-free waste management, maximum sorting and recovery versus disposal;
- promptness, effectiveness and diligence in handling emergencies or accidents that may occur in the course of business activities;
- effective responses to stakeholder inquiries about environmental aspects related to the activities and products and services provided and/or delivered;
- promotion of staff awareness of environmental issues and sustainability.

We are striving to implement progress in each area that little by little will enable us to develop the 17 global goals in a way that contributes to the common goal of achieving a better and more sustainable future for all.



CONCLUSION

Karrell is striving to apply the Kaizen method, which combines the concepts of change (Kai) and better (Zen). It is a long-term path. At Karrell, everyone has their own responsibilities, employee involvement is sought at all levels of the company because "those who have done it know how it is done." The goal is the optimization of available resources used to remove inefficiencies. Targeted training activities have been carried out for the staff of operational offices and specific projects for people development. The continuous improvement path initiated represents, an element of cultural change that has generated over time the gradual modification of the working approach used.

The organization is strongly focused on continuously improving the suitability, adequacy, and effectiveness of the System through:

- 01 Performance improvement**

- 02 Fostering a culture that supports a management system**

- 03 Encouraging worker engagement in the ongoing implementation of continuous improvement practices**

- 04 Reporting relevant outcome to workers, RLSs, and relevant stakeholders**

- 05 On-going upkeep and recording of any documented evidence of continuous improvement**

Karrell's aspirational goal is to become a virtuous company, striving to decrease emissions and improve day by day in every small action, containing energy consumption and waste to be disposed of, and, in this view of continuous improvement, increasing profit margins, reducing environmental impact and boosting sustainability.

ACKNOWLEDGEMENTS

Contact:

SALORNO (BZ)
Via Nazionale, 52 - Z.I.
39040 Salorno (BZ)

VERONA (VR)
Via Unità d'Italia, 352A
37132 Verona

MANTOVA (MN)
Via Moretti Foggia Amalia, 4
46100 Mantova (MN)

info@karrell.it
www.karrell.it

**We thank you for your
continued support in
our efforts to contribute
to the SDGs.**

Approval of the Top
Management

Salurn, January 21, 2022

Ezio Montel
Chairman of the BoD

KARRELL Srl
il Presidente e Legale Rappresentante
Montel Ezio

