

**IRSAP**

# **SUSTAINABILITY REPORT 2023**





**IRSAP**



# LETTER FROM THE CEO

The recent escalation of conflicts that is undermining the very foundations of the globalised world that has been created in the last 30 years risks having a hidden but no less dangerous consequence, namely that people, companies, nations, begin to close in on themselves more and more, ignoring what is happening outside and even perceiving it as negative because it is different. One of the consequences of this attitude is that we take several steps backwards in cooperation between states with devastating consequences for the health of the planet.

The concept of cooperation, although present in many animal species, has reached its highest expression in humans and is in fact one of the foundations of modern society. The idea of the state, of money, of religion, the idea that there are commonly accepted rules in every culture in the world, such as that killing is wrong, are all consequences of the fact that we have evolved as social animals through cooperation, the fact that we share certain values, and accept shared ideas. This factor remains crucial at a time in history when we are called upon to make a real commitment to try to reverse the direction that indiscriminate consumption of resources has set us on.

Everyone has to do their part without forgetting that, alone, one does not go far. It is for this reason that IRSAP has made sustainability one of the pillars of its strategic project by working according to the shared principles of the 2030 Agenda for Sustainable Development, and from this idea come, for example, a number of certification projects that represent exactly that sharing of principles mentioned above, and that allow us to work internally, but in a shared direction.

Also with this in mind, we are opening up the company's governing bodies to the outside world, we are stimulating our managers to look around, both towards customers and suppliers, but also towards training institutions to grasp good practices, because in a world that is running ever faster it is important to keep our gaze high.

IRSAP is committed not only to the outside world, in terms of its impact on the world around us, but also to the inside; people are a founding value of the company's strategy, and talent development is fundamental because it allows the foundations to be laid for the future; the culture of change must be stimulated from the top, but change must happen bottom-up.

Marco Rossi  
CEO



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# METHODOLOGICAL NOTE

In the Sustainability Report 2023, the IRSAP Group continues its path of innovation towards a sustainable business model. The Group is motivated by the desire to communicate the performance achieved in recent years in the economic, social and environmental spheres, which until 2019 was circumscribed within the Management Report.

## **PURPOSE OF THE REPORT**

This document is the Sustainability Report 2023 of the IRSAP Group (hereafter also “Group” or “IRSAP”) consisting of the Parent Company IRSAP S.p.a. and its subsidiaries IRROM Industrie S.r.l. (ROMANIA), IRSAP Iberica S.L. (SPAIN), IRGROUP S.a.r.l. (FRANCE), IRSAP UK Ltd (UNITED KINGDOM) and BEMM GmbH (GERMANY). The Sustainability Report is the tool with which the Group communicates to internal and external Stakeholders the commitments, strategy, management methods and results of the company's activities, declined in their triple aspect: economic, environmental and social.

## **THE PATH OF GROUP REPORTING**

The Report was prepared considering the contents of the International Integrated Reporting Council's International Framework and was prepared in accordance with the “GRI – Sustainability Reporting Standards” guidelines updated by the Global Reporting Initiative (GRI) in 2021.

## **APPROVAL**

The Report was approved by the Board of Directors of IRSAP S.p.a. on 29 May 2024.

## **REFERENCE YEAR**

The figures and information in this document refer to the 2023 financial year (1 January to 31 December). Where available, comparative data referring to previous years have been reported in order to present the Group's performance trend over a longer time horizon. The Sustainability Report 2023 follows the same periodicity as the Group's Consolidated Financial Statements.

## **REFERENCE BOUNDARY**

The boundary of the economic and personnel data in this Report refers to the IRSAP Group as a whole. However, for environmental disclosures, the boundary is limited to the production core of the Group: IRSAP S.p.a. and IRROM Industrie S.r.l.; the companies Macro Energy S.r.l., Inproject S.r.l., Larus Solar S.r.l. and Energia 304 S.r.l., companies under Italian law dedicated to the production of electricity through photovoltaic parks included in the previous reporting period, are to be considered outside the scope of consolidation since, effective 1 January 2023, they were sold. Commercial subsidiaries were not included as they do not have a significant impact on the environment. For occupational health and safety disclosures, the boundary is limited to IRSAP S.p.a. and IRROM Industrie S.r.l. only. Any further variations to this boundary are expressly indicated within the document. These exclusions in no way affect a complete understanding of the Group's business, its performance, results and impacts generated.

## **REFERENCE STANDARDS**

The Declaration is drafted according to Global Reporting Initiative (GRI) Sustainability Reporting Standard (with reference to).

References to GRI disclosures can be found in the text and within the attached technical index, represented with the caption **[GRI no. disclosure]**.

In preparing the document, the principles of materiality, accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability were adopted.

## **DEFINITION OF CONTENTS AND STRUCTURE OF THE REPORT**

In the “GRI Table of contents” section, you can view a detail of the information reported according to the disclosures defined by the GRI Standards.

For the sake of comparability with previous reporting periods, a technical index has been prepared and attached to this report with references to the GRI disclosures . Any omissions are appropriately indicated where foreseen.

## **FREQUENCY IN REPORTING**

Annual.

## **EXTERNAL ASSURANCE**

No review by external independent subjects is planned for this Report.

## **CONTACTS**

For any information on the Sustainability Report, please contact: [sostenibilita@irsap.com](mailto:sostenibilita@irsap.com)

# CHAPTER 1

# THE GROUP

OUR HISTORY

IRSAP IN THE WORLD

OUR BUSINESS UNITS

IRSAP HEAT

IRSAP SMART

IRSAP AIR

A CERTIFIED CORPORATE QUALITY SYSTEM

THE VISION

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THE CONSTANT COMMITMENT TO RESEARCH AND DEVELOPMENT

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# OUR HISTORY



## Conquering the market with a revolutionary idea: furnishing with warmth.

Founded in **1963** by Orazio Rossi and Livio Zen, IRSAP S.p.a. (Industria Radiatori Stampaggio Affini Polesana) began its activity with the production of pressed steel radiators in Arquà Polesine in the province of Rovigo.

Three years later, in **1967**, it was time for **TESI** a tubular radiator still unknown to the Italian market, which gave rise to the multi-column format par excellence.

In **1981** IRSAP launched **NOVO**, the first and innovative towel warmer bathroom radiator produced in Italy. Thanks to advances in steel processing, the study of **refined designs** and the use of a **wide range of colours and finishes**, IRSAP introduced to the Italian market, **since the early 1980s**, an innovative way of conceiving the radiator, understood not only as a heating element, but also as a furnishing component, enriching it with shapes, colours and finishes, synthesising its new meaning in the brand Termoarredatori®, a registered trademark and a philosophy of service applied to the product.

Using the radiator by choosing from **over 500,000 different formal, dimensional and colour solutions** becomes a new way of designing interiors.

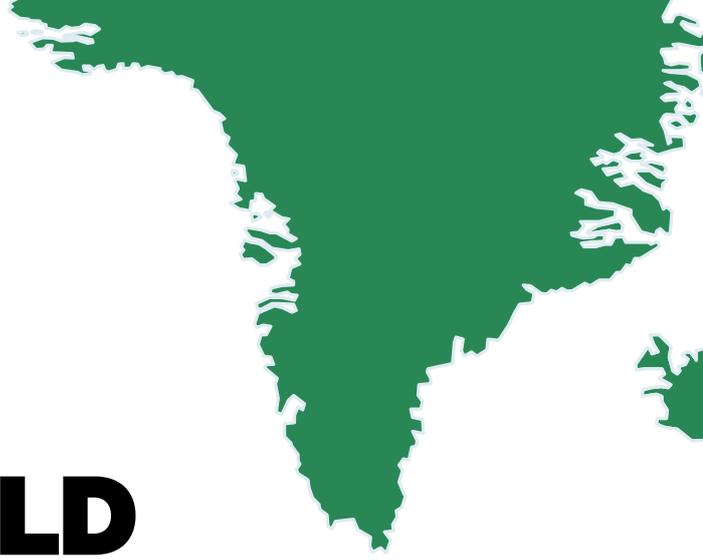
**The Company today is the Italian leader and one of the largest manufacturers for the heating market in Europe.**

A solid leadership gained over the years with **excellent quality standards, continuous innovation, excellent service, maximum reliability and constant customer focus.**

Today, after 60 years, the IRSAP Group's focus is shifting **from product to system** in order to offer the market **innovative solutions for home comfort integrating sustainability, technology and design.**



# IRSAP IN THE WORLD



IRSAP today, with 1052 employees, is the Italian leader and one of the largest manufacturers for the heating market in Europe. The Group consists of a collection of companies and brands that have been operating for years throughout Europe, with production plants in Italy, Romania and sales subsidiaries in France, Spain, Great Britain and Germany. Each of them is at the service of the customer, designing innovative solutions.

IRSAP S.p.a., headquartered in Arquà Polesine (Rovigo - ITALY), is the Italian company of reference in the production of tubular steel heating radiators, bathroom, furnishing and design radiators, innovative home automation systems for plant regulation and Controlled Mechanical Ventilation.

The IRSAP Group has five other locations, which are divided into production sites and commercial entities

. Each of these locations is crucial to the success of the Group.

### **Production sites:**

**IRSAP S.P.A.** - Arquà Polesine - Rovigo, ITALY

**IRROM INDUSTRIE S.R.L.** - Iclod - Cluj-Napoca, ROMANIA

### **Commercial branches:**

**Irgroup S.a.r.l.** - Vourles - Lyon, FRANCE

**Irsap Iberica S.L.** - Gavà - Barcelona, SPAIN

**Irsap UK Ltd** - East Grinstead - London, UK

**BEMM GmbH** - Emmerke - Hildesheim, GERMANY



A woman with dark hair, wearing a dark sleeveless top, is seated at a light-colored desk. She is looking down at a laptop computer, with her hands on the keyboard. On the desk, there is also a notebook and some papers. The background is dark and out of focus, showing some indistinct shapes like a bowl of fruit.

# OUR BUSINESS UNITS

# IRSAP heat



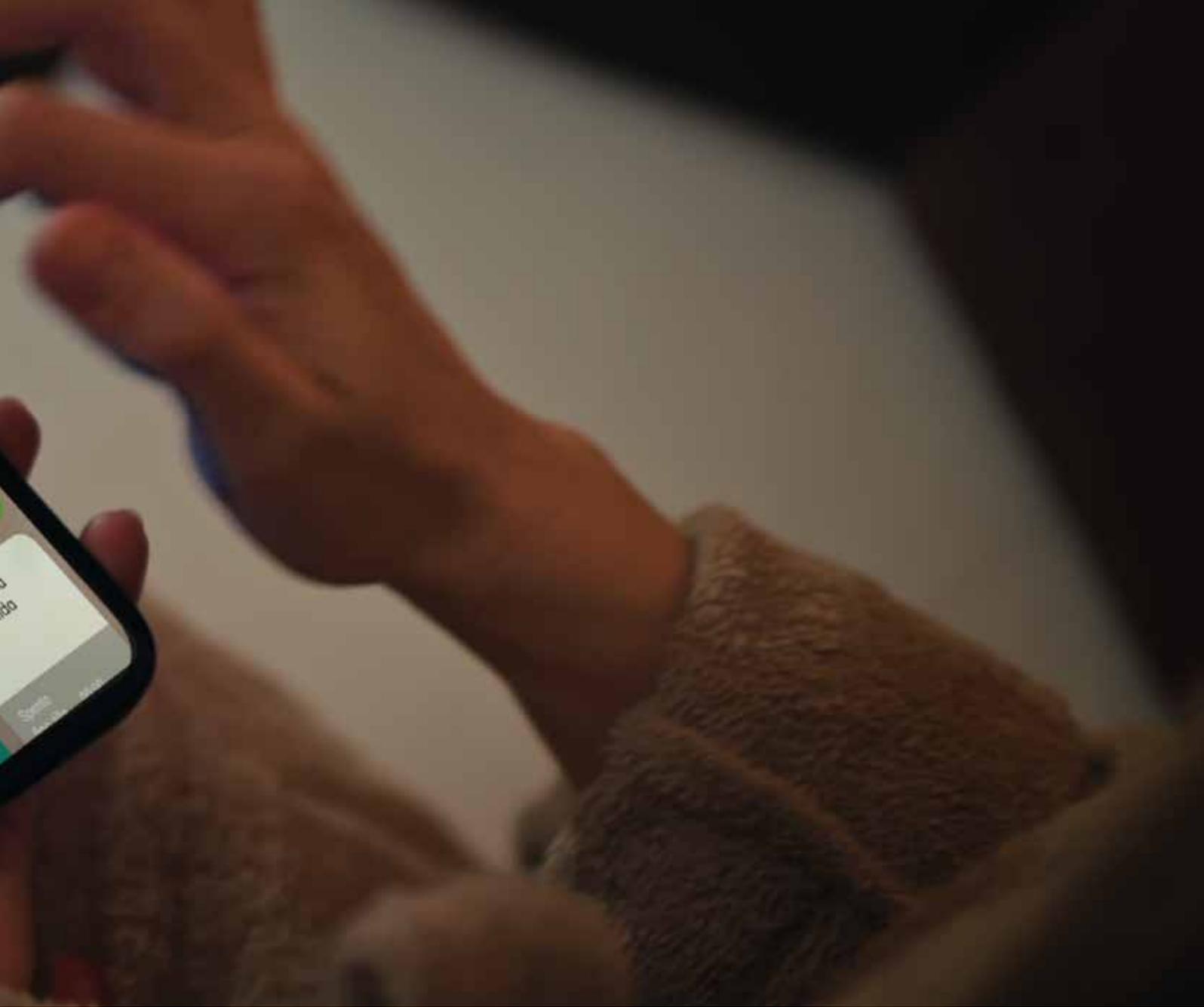
Classic and modern come together to create traditional but always up-to-date radiators. IRSAP Heat radiators with their recognisable shapes and timeless design meet every living requirement thanks to the more than 500,000 size solutions available.

Rounded shapes, perfect welds guaranteed by laser technology, specific modularity and a large heat exchange surface make our radiators safe and efficient, ideal for renovation and particularly suitable for operation with newly developed low-temperature systems, oriented towards environmental protection and energy saving.



# OUR BUSINESS UNITS

# IRSAP smart



Born out of more than 60 years of IRSAP experience, the innovative NOW system allows temperature control of every single room in the house and hourly programming, optimising the use of the generator (boiler or heat pump). The algorithms designed into IRSAP radiators maximise system efficiency, offering a combination of the highest quality products. The NOW system is the result of years of study and experimentation conducted in the IRSAP R&D Laboratory. The developed algorithms have been incorporated into the system components, making NOW the intelligent and optimal solution for state-of-the-art heating to meet market requirements.

The system is designed to fit almost any type of system and is compatible with all brands of radiators and major manufacturers of hydraulic valves, enhancing their efficiency and comfort characteristics. Our thermostatic valves are compatible with all thermostatically controllable hydraulic valves with M30x1.50 pitch. According to a study by the University of Bergamo, switching from traditional mechanical valves to the complete NOW system results in energy savings of 27.3%. A further 20% energy saving can be achieved through the Green Mode, by setting the Eco temperature a maximum of 3 °C lower than the Comfort temperature.

NOW, thanks to its internal software, is also able to learn from our habits and adapt itself by always providing the best climate and comfort for the way we live our homes. Intelligent Thermostatic Valves, with a colour interface, make it an ideal system for increasing the energy efficiency of traditional systems in existing buildings as well as in renovations or new constructions. The packaging of the NOW system uses FSC-certified material.



**OUR  
BUSINESS UNITS**

**IRSAP** air



Controlled Mechanical Ventilation (CMV) is the solution aimed at our wellbeing that ensures the right air exchange within rooms in order to always achieve clean air, hygiene and comfort without energy waste.

With a CMV system, clean air is guaranteed 24 hours a day; moreover, as there is no need to open windows uncontrollably to obtain air changes, considerable energy savings are ensured.

CMV systems can be single-flow or dual-flow with high-efficiency heat recovery. IRSAP offers both solutions, also integrated with dehumidification and air conditioning systems.

Combined with air conditioning, the system becomes adaptive climate ventilation. This all-air air-conditioning system is ideal for managing the heating needs of buildings, particularly in well-insulated dwellings.

EASY CLIMA is the plant engineering solution that performs the functions of three different systems: controlled mechanical ventilation with high-efficiency heat recovery, zoned summer air conditioning and winter air conditioning that can be combined with any high-efficiency hydronic generator (e.g. heat pumps).

# A CERTIFIED CORPORATE QUALITY SYSTEM

IRSAP S.p.a. was one of the first companies in Italy in the sector certified by the Corporate Quality System UNI EN ISO 9001:2015 for the monitoring, supervision and updating of procedures adopted internally (the so-called Quality Management System).

The company continued and concluded in early 2023 its path towards ISO 14001 environmental certification, which will be discussed in more detail in Chapter 3. All IRSAP products follow the requirements of the Construction Products Regulation (EU) CPR 305/2011 and are certified according to the currently applicable standard (EN 442), which obliges all manufacturers/retailers of heating elements to certify them with accredited bodies. IRSAP mainly relies on the support of the Milan Polytechnic University for the certification of heat yields and CE marking of its products.

IRSAP cooperates with EUROVENT Certita for NF product certification of hydraulic products. IRSAP uses LCIE - Bureau Veritas to obtain the French voluntary certification NF Electricite for specific products.

For other products, IRSAP has already obtained voluntary Croatian (ZIK) and Russian (GOST) certification.

IRSAP has been in the civil and residential air-conditioning sector for 60 years, manufacturing heating and ventilation systems Controlled Mechanics.

The spirit that has always accompanied our Group is to create products and systems aimed at improving energy efficiency, environmental sustainability and quality of life inside our homes.

IRSAP products are designed and manufactured to always ensure maximum performance with the use of the most modern renewable sources.





# THE VISION

**BEING THE REFERENCE  
POINT IN COMFORT  
SOLUTIONS FOR THE  
HOME, INTEGRATING  
SUSTAINABILITY,  
TECHNOLOGY AND  
DESIGN.**



# OUR VALUES

Values are the principles that shape our corporate culture and define our identity.

These values are not just words on a wall but come to life through the behaviour and attitudes of the people who work at IRSAP.

**CUSTOMER CENTRALITY:** for IRSAP this means putting ourselves in the customer's shoes and understanding their needs, wishes and concerns, ensuring that their needs are met using a proactive and solution-oriented approach.

**COURAGE:** for IRSAP this means facing challenges with determination, even making difficult decisions.

**PASSION:** for IRSAP this means dreaming of the future you would like, involving others to create an inspiring work environment, recognising and celebrating the achievements of individuals and the entire team.

**WINNING TOGETHER:** for IRSAP this means striving for excellence with enthusiasm and positivity, sharing successes and failures, celebrating the former and pausing to reflect on how to overcome the latter.

**INNOVATION:** for IRSAP this means using creative thinking to challenge the status quo with a proactive approach to continuous learning.

**PROACTIVENESS:** for IRSAP this means being alert to anticipate and manage risks by identifying potential problematic situations in advance.

**RESPECT:** for IRSAP this means putting oneself in the shoes of others and trying to understand their emotions, challenges and perspectives using constructive dialogue, respecting and valuing people's diversity.



# THE CONSTANT COMMITMENT TO RESEARCH AND DEVELOPMENT

Innovation is our goal and our future. This can only be achieved through constant investments in research and development and with complex and technologically advanced facilities.

For this reason, IRSAP, thanks to the technical contribution of the Milan Polytechnic University, has invested in an innovative R&D area that reproduces a house/laboratory in which all the external environmental conditions and internal comfort conditions are simulated, functional to the development of new products and environmental comfort control systems. The goal is to achieve heating system management that optimises energy efficiency throughout the year.

Over the years, IRSAP has built two climatic test chambers according to the harmonised EN 442 standard on technical specifications and construction requirements for radiators and convectors. In particular, the most recently constructed chamber (2016), was built faithfully following the indications prescribed by the standard and is equivalent in performance (differences of less than 1%) to the chamber certified by the Milan Polytechnic University as EU notified body 1695. In addition to the test chambers, IRSAP has set up a part of the laboratory to perform destructive and pressure tests, with the aim of verifying the robustness and quality of products under boundary conditions, allowing the optimisation of the choice of the most suitable materials and components. In order to improve its knowledge and the quality of the final product, over the years IRSAP has initiated projects in collaboration with the most accredited university and research institutes. The collaboration with the University of Bergamo continues for NOW, the innovative heating system management system.

In addition, IRSAP maintains high standards in the aesthetics and design of its products, integrating the latest design trends with advanced functionality. This commitment to aesthetic excellence ensures that each product not only meets criteria of energy efficiency and robustness, but also of beauty and style, thus meeting the expectations of the most demanding customers.

The universities with which IRSAP has collaborated and still collaborates are:

- **CUOA of Vicenza** - from 2021 IRSAP is a Supporting Member of the Altavilla Vicentina Business School;
- **Milan Polytechnic University** - certifies our products according to EN 442 in their test chamber at the Department of Energy and, thanks also to their technical cooperation, IRSAP built its own second test chamber;
- **University of Ferrara** - for various projects on R&D and logistics;
- **Desall** - platform for the development of open innovation projects through design contests. Origin, the always-connected electric radiator, is designed by Tommaso Ballardore in collaboration with Desall.

# **CUSTOMER FOCUS**

**The Customer is understood in the broadest sense: that is, all persons involved in the process of sale, installation and use of the product.**

Since the beginning of its history, IRSAP has invested in creating lasting human relationships.

Our people: 50 externally as direct employees and more than 100 internally work daily for “Customer Care”.

Operationally this happens:

- with targeted training for designers, architects, installers and showroom operators;
- a website and general up-to-date and interactive communication with stakeholders;
- increasing attention to physical locations, especially the showroom, where users can see and touch the products.

In 2023, IRSAP was selected by Zendesk for the high degree of integration with which we use the platform in the area of customer service, to which we offer a multilingual and multi-channel service, on a par with the world's Top Players. It was an honour for IRSAP to receive this important award from Zendesk, a leading customer service management tool.





# **STRATEGIC PLAN AND GROWTH DRIVERS**

In 2023, following an analysis of trends directly impacting the IRSAP Group, the new five-year strategic plan was defined.

The new strategic plan will guide actions and choices also in 2024 and is based on six fundamental pillars:

## **GROWTH**

**Grow by gaining market share in the core business, by leveraging business diversification and through targeted, value-creating acquisitions.**

We want to continue investing in home comfort by increasing and improving our products day by day. Consistent with this strategic pillar, we want to explore new possibilities for internal and external development of our product range in order to bring new innovative solutions for home comfort to Europe.

## **SUSTAINABILITY**

**Be a leader in environmental protection, sustainability and security.**

We are aware of the role we can play in reducing environmental impacts and we want to be more aware of this every day by improving our systems for measuring the impacts associated with the product life cycle, using reliable and internationally recognised measurement methodologies with a scientific approach. We work tirelessly to improve the health and safety of our employees and customers by listening to their needs. We want to make sustainability an integral factor in the work of everyone within the company, spreading a culture of sustainable development at all company levels.

## **CUSTOMER**

**Providing impeccable purchasing experience and service.**

We want to provide our customers with the best possible experience by analysing and integrating with the value chain of our customers and influencers in our supply chain in order to create a flawless

experience from first contact to after-sales, maintaining the quality of our service over time.

## **INNOVATION & DESIGN**

**Be at the forefront of technological innovation, an icon of interior design made in Italy.**

We will continue to research and apply the best technological innovations while pursuing the culture of beauty and taking the pride of Made in Italy to the world.

## **EFFICIENCY**

**To be champions of operational and commercial efficiency.**

We want to work constantly with a view to continuous improvement on all company processes starting from production and reaching the end user, while at the same time improving the quality and value of IRSAP people's work.

## **PEOPLE**

**Develop a high performance organisation capable of attracting and developing talent.**

People are the engine and the heart of our Group. We want to continue to invest in the people who work for the success of our Group on a daily basis by providing growth plans and developing their potential so that all employees can be proud to work for IRSAP every day. Attracting and developing talent will be crucial to the Group's success in the years to come.

Our commitment to sustainability, respect and care for the environment in which we operate represents a fundamental component of our work and the achievement of our goals on these issues must constantly be a priority.

The involvement of all our stakeholders is fundamental to the creation of a shared value system.

# **ESG PLAN PEOPLE & SUSTAINABILITY**

The strategic focus on ESG issues has led the IRSAP Group to develop new projects to improve its environmental and social impact. Detailed projects and an associated budget were defined for each of the ESG dimensions.

## **ENVIRONMENTAL**

The IRSAP Group has identified some environmental topics considered critical in terms of impacts and risks. These topics are: product sustainability, circular economy, waste and waste reduction (as well as reuse and recycling), energy source management and emission reduction. A number of detailed projects have been initiated on all the above-mentioned topics:

**Energy efficiency and use of renewable sources:** we have used 100% electricity from renewable sources and will continue to use it. Thanks to new investments that also focus on energy efficiency, we want to reduce the scope 1 emissions associated with the company's core activities.

**Product carbon footprint calculation:** we have initiated a process of analysing the environmental impact of our products using the Life Cycle Assessment (LCA) methodology. The analysis will allow us to see where the main environmental impacts are and to reduce them with targeted actions and a certified measurement system.

**Circular Economy:** we have initiated scouting and research activities to identify new materials and processes to improve the circularity of our company. With regard to packaging, we have replaced some packaging components with recyclable and recycled materials, and we want to continue to reduce our environmental impact by implementing new circular economy processes.

## **SOCIAL**

Following the first climate analysis carried out in collaboration with Great Place to Work®, IRSAP developed internal projects identifying three main areas for action:

**Talent:** implementing employer branding and talent retention is an indispensable step. We started a project to identify and create growth and development plans for all our people.

**Gender Equality:** gender equality is a fundamental goal for individuals and society, and one of the key targets of the 2030 Agenda. In October 2023, following specific training to all female colleagues on issues such as empowerment and leadership, the "Gender Equality Observatory" work group was set up, which continuously works on this issue by identifying and implementing concrete improvement activities.

**Safety:** running any business safely must be the only way we do our work. Working safely must become a way of life when carrying out all company tasks. An employee safety project was initiated in 2023, which analyses improvement activities to be implemented by means of spot interviews. The collection of this information will allow us to work on both formal and perceived safety.

## **GOVERNANCE**

**Opening of the Board of Directors:** as of 2023, IRSAP has opened the Board of Directors to an independent member in order to support strategic development and bring value to the discussions on the development guidelines for the coming years.

**ESG Rating:** IRSAP recognises the importance of external validation of its ESG performance, and from 2020 will voluntarily submit to the Ecovadis Sustainability Rating. In 2023, IRSAP achieved the Ecovadis Bronze medal for the first time with a score of 53/100, placing it at the 56th percentile, i.e., scoring 56% higher than the reference benchmark. Also for 2024, IRSAP will approach the assessment with a commitment to improve its score by demonstrating the robustness of its ESG progress and goals.



# THE PATH TOWARDS SUSTAINABILITY

The concept of sustainability revolves around three fundamental components:

- **economic:** ability to generate value for stakeholders in an ethical and responsible manner;
- **social:** ability to guarantee conditions of human well-being (security, health, education, participation, etc.) distributed equally;
- **environmental:** ability to maintain the quality and reproducibility of natural resources over time.

This Sustainability Report is the fruit of the work and collaboration of many people who work in our Group and whom we would like to thank for providing the data and information that form the heart of this document.

Sustainability Reporting, as promoted by the Global Reporting Initiative (GRI), is the process of publicly communicating the economic, environmental and/or social impacts of an organisation, and thus its positive contributions towards the goals of sustainable development

. The Report is intended to inform a wide range of stakeholders, including customers, employees, local communities, shareholders and investors interested in the Company's social performance as a predictor of its financial performance. Strategic orientation towards sustainability implies finding a dynamic balance between the various economic, environmental and social dimensions.

Working in the area of radiators and home climate management systems, the development of a sustainable orientation is essential. Houses, and buildings in general, are a major cause of energy consumption and greenhouse gas emissions. This is why it becomes essential to find the best solutions to reduce this consumption, providing systems that can simultaneously guarantee the climatic well-being of the rooms for all users, while maintaining high levels of comfort.

Providing comfort and safety for customers, ensuring safe working conditions for employees, minimising the environmental footprint of our companies, caring for the community and maintaining financial perfor-

mance and operational excellence are the objectives of our Group, which are reflected in the three dimensions of sustainability.

In 2023, sustainability was integrated into the IRSAP Group's Vision and became one of the 6 pillars of the IRSAP Group's strategy to 2027.

Sustainable development represents a momentous and unprecedented challenge in terms of collective effort to change a cultural approach to environmental and social issues that is considered obsolete. For this to be achieved, it is necessary to harmonise economic growth, social inclusion and environmental protection by decoupling economic development from the consumption of finite resources, pollution and waste generation and effectively managing social and ethical impact issues, internally and externally.

The Company's approach to pursuing the principles of sustainable development takes the form of measuring and monitoring its environmental impacts, adopting Corporate Social Responsibility (CSR) practices to spread the culture of sustainability and contribute to the creation of value, and monitoring the regulatory evolution of the European Green Deal.

In preparing this Report, we have committed ourselves to contributing to eleven of the 17 Sustainable Development Goals (SDGs) of the "2030 Agenda for Sustainable Development" as defined by the 193 Member States of the United Nations. In order to provide a correct reading within the GRI table of contents, a mapping between the GRI content we disclose and the related Sustainable Development Goals has been included in the final pages of this Report.

# **OUR STAKEHOLDERS**

Stakeholder engagement is a key element of the Group's sustainability strategy. Developing and maintaining a constant and solid relationship with all stakeholders through a relationship based on continuous dialogue and active involvement is an expression of the responsibility that the Group has towards the social context with which it interacts. Stakeholders represent a wide range of heterogeneous interests: creating and maintaining stable and lasting relationships is crucial in order to create shared value in the long run.

Thanks to a continuous listening and discussion process, organised through different channels and modalities, the Group is able to develop a greater awareness of its stakeholders' expectations and interests, monitoring and optimising the effectiveness of interaction tools and channels.

The list of Stakeholders is drawn up following the guidelines of the ISO 26000 standard.

By understanding specific needs and priorities, the Group is able to manage potential critical issues in advance and fine-tune its actions in response to stakeholder interests. The Group pursues a proactive approach towards the plurality of stakeholders with whom it constantly interacts throughout the world, promoting constant dialogue and accommodating their needs. Indeed, we are aware that these moments of confrontation constitute mutual opportunities for growth and enrichment.

# IRSAP GROUP STAKEHOLDERS

EMPLOYEES	PROFESSIONAL CHAIN	END USER
Those working for or on behalf of the IRSAP Group, including our representatives	Who buys our products	Who uses our products
SUPPLIERS	TRADE UNIONS	FUTURE GENERATIONS
Who supplies the IRSAP Group with raw materials, materials and services	All national and international organisations	The world of schools, universities and young people in general
COMMUNITY AND SOCIETY	LENDERS	POLITICAL INSTITUTIONS AND ASSOCIATIONS
The social context of the territories in which IRSAP Group sites operate	Who contributes capital to the IRSAP Group	Associations, Bodies, Non-profit and private organisations

STAKEHOLDERS	INTERACTION TOOLS AND CHANNELS	STAKEHOLDER EXPECTATIONS
<b>EMPLOYEES</b>	<ol style="list-style-type: none"> <li>1) Constant dialogue with the Human Resources Department</li> <li>2) Annual meetings to discuss the growth path, to define individual objectives and to discuss performance evaluations</li> <li>3) Meetings with the business community to share the Group's future results and objectives</li> <li>4) Training meetings</li> <li>5) Meetings to raise awareness and provide information on occupational health and safety issues</li> <li>6) Training and development programmes for young talents (Future Leader Program)</li> </ol>	<ol style="list-style-type: none"> <li>1) Information on Group strategies and results</li> <li>2) Responsible business management</li> <li>3) Clarity of objectives and reward system (bonus)</li> <li>4) Training, enhancement and professional development</li> <li>5) Stimulating and safe working environment</li> <li>6) Equal opportunities</li> <li>7) Promotion and protection of welfare, health and safety</li> <li>8) Involvement in company life, development of a sense of belonging</li> </ol>
<b>PROFESSIONAL CHAIN</b>	<ol style="list-style-type: none"> <li>1) Meetings in showrooms and points of sale</li> <li>2) Ongoing dialogue to update the business and product range</li> </ol>	<ol style="list-style-type: none"> <li>1) Product quality and innovation</li> <li>2) Security and transparency on environmental and social issues throughout the entire supply system</li> <li>3) Brand reputation</li> </ol>
<b>END USER</b>	<ol style="list-style-type: none"> <li>1) Market research and focus groups</li> <li>2) Direct listening to the level of satisfaction</li> <li>3) Interactions via telephone, e-mail and social media</li> <li>4) Customer care service</li> </ol>	<ol style="list-style-type: none"> <li>1) Product quality, safety and reliability</li> <li>2) Products made with respect for people and the environment</li> <li>3) Style, uniqueness, innovation and completeness of the offer</li> <li>4) After-sales service</li> <li>5) Customised purchasing experience</li> </ol>
<b>SUPPLIERS</b>	<ol style="list-style-type: none"> <li>1) Monthly reports</li> <li>2) On-site meetings</li> <li>3) Defining and sharing standards</li> </ol>	<ol style="list-style-type: none"> <li>1) Continuity and stability in supply in terms of quality and quantity</li> <li>2) Compliance with contractual conditions</li> <li>3) Involvement in the definition of supply standards, including social and environmental criteria, and timely communication of new requirements</li> <li>4) Cooperation and support in management</li> </ol>
<b>TRADE UNIONS</b>	Meetings with trade union representatives	<ol style="list-style-type: none"> <li>1) Responsible business management</li> <li>2) Involvement and timely information activities on issues relevant to the corporate community</li> <li>3) Update on training activities</li> </ol>
<b>FUTURE GENERATIONS</b>	<ol style="list-style-type: none"> <li>1) Scholarships (to children of employees)</li> <li>2) Training and development programmes for young talents (Future Leader Programme)</li> <li>3) Educational visits</li> </ol>	Training, enhancement and professional development
<b>COMMUNITY AND SOCIETY</b>	<ol style="list-style-type: none"> <li>1) Meetings with representatives of local associations</li> <li>2) Definition of interventions or projects managed directly or in partnership</li> <li>3) Donations and socio-environmental initiatives</li> </ol>	<ol style="list-style-type: none"> <li>1) Supporting or financing initiatives</li> <li>2) Support for awareness-raising activities</li> <li>3) Organisation of community development activities in terms of economic and cultural growth</li> </ol>
<b>LENDERS</b>	<ol style="list-style-type: none"> <li>1) Periodic conference calls following relevant communications</li> <li>2) Communications and information that may influence the rating</li> <li>3) Seminars, conferences, trade fairs</li> <li>4) Daily dialogue (meetings, telephone, e-mail)</li> <li>5) Website</li> </ol>	<ol style="list-style-type: none"> <li>1) Involvement and strengthening knowledge of the Group and its business model</li> <li>2) Value creation (return on investment, business viability)</li> <li>3) Transparent and accountable management</li> <li>4) Timeliness and readiness for dialogue</li> <li>5) Prudential risk management, including socio-environmental risks</li> </ol>
<b>POLITICAL INSTITUTIONS AND ASSOCIATIONS</b>	<ol style="list-style-type: none"> <li>1) Ad hoc meetings</li> <li>2) Definition and development of joint projects</li> <li>3) Donations and socio-environmental initiatives</li> </ol>	<ol style="list-style-type: none"> <li>1) Participation in public benefit projects</li> <li>2) Inclusion of socio-environmental aspects in corporate strategies and the procurement system</li> <li>3) Communication of corporate objectives with reference to environmental and social aspects</li> <li>4) Active participation in discussion tables</li> </ol>

# MATERIAL ISSUES

In 2023, following the International Standards of the Global Reporting Initiative, the criterion of impact materiality was adopted, i.e. assessing the actual or potential impact that the IRSAP Group can generate for each issue on society and the surrounding environment (inside-out approach).

The analysis involved the main stakeholder categories. They were asked to evaluate the relevance of the material issues based on the impact of these issues from their point of view.

The analysis was carried out in interaction with the sustainability specialist and with the use of up-to-date documentary sources. In particular, the materiality analysis was carried out in four steps:

### **1. Defining the universe of potentially material issues**

Potentially material issues have been identified through a multi-source approach that considers the main reference regulations, frameworks and standards, recommendations, expert reports and esg ratings. The IRSAP Group's list of potentially relevant issues consisted of 40 topics.

### **2. Gathering evidence of the relevance of potentially material issues**

The objective of this phase was to understand the views of the organisation and stakeholders by measuring the relevance of potentially material issues. Through dialogue with internal stakeholders, primarily senior management, an initial prioritisation of topics was identified. The topics were included in several ad hoc questionnaires in order to assess their relevance.

### **3. Interaction with stakeholders**

In the survey to identify the issues and measure their impacts, key stakeholders were involved. Responses from external stakeholders were weighted according to internal relevance. The qualitative criterion used to express the evaluation included a scale of values between 1 (not significant) and 5 (priority). Attached to the survey was a glossary with a description of each potentially material topic, translated into the main languages spoken by stakeholders.

### **4. Acting on the results of the materiality analysis and monitoring its development**

In 2023, 13 material issues were confirmed. Below is the list of material issues sorted by impact relevance with evidence of the type and intensity of the impact.

Topic	Material issues	Impact level	Type of impact	
■	Product quality and safety	■ ■ ■	Effective	Positive
■	Customer relations and customer satisfaction	■ ■ ■	Potential	Positive
■	Long-term economic and financial balance	■ ■ ■	Effective	Positive
■	Employee health and safety	■ ■ ■	Potential	Negative
■	Conducting an ethical business	■ ■ ■	Potential	Positive
■	Product and process innovation	■ ■	Potential	Positive
■	Sustainable energy and use of renewable sources	■ ■	Potential	Positive
■	Waste and production waste management	■ ■	Effective	Negative
■	Circular economy	■ ■	Potential	Positive
■	Protection of areas adjacent to production sites	■ ■	Potential	Positive
■	Responsibilities towards employees	■ ■	Potential	Negative
■	Employer branding - talent retention	■ ■	Potential	Positive
■	Economic support to local communities and CSR policies	■ ■	Effective	Positive

Topic: ■ Economic - ■ Social - ■ Environmental  
Impact level: ■ Low - ■■ Medium - ■■■ High  
Type of impact: Effective-Potential / Positive-Negative

No significant changes were found in the comparison with 2022. The material issues and their impacts are covered by IRSAP's new strategic plan, presented in early 2023, and by ESG projects and ratings.

# OUR OBJECTIVES

OUR OBJECTIVES					
Topic	Material issues	Objective	Year of measurement start	Achievement as at 31/12/2022	Achievement as at 31/12/2023
ECONOMIC	<ul style="list-style-type: none"> <li>• <b>Product quality and safety</b></li> <li>• <b>Customer relations and customer satisfaction</b></li> <li>• <b>Product and process innovation</b></li> <li>• <b>Long-term economic and financial balance</b></li> </ul>	Measure a maximum of 100 production complaints per 100,000 units produced by 2026	2022	500	415
		Invest EUR 30 million, of which at least 50% is attributable to energy savings, over the five-year period 2022-2026	2022	46%	61%
		Achieve a total EBITDA of EUR 75 million in the five-year period 2022-2026	2022	25%	46%
		Not to exceed the ratio of net financial position to EBITDA of 2x net of M&A in the five-year period 2022-2026	2022	Below the limit	Below the limit
ENVIRONMENTAL	<ul style="list-style-type: none"> <li>• <b>Sustainable energy and use of renewable sources</b></li> <li>• <b>Waste and production waste management</b></li> <li>• <b>Circular economy</b></li> <li>• <b>Protection of areas adjacent to production sites</b></li> </ul>	Reduce the CO <sub>2</sub> emissions per kilometre travelled of the company car fleet by 35% by 2025	2021	Under review	Under review
		Achieve ISO 14001 environmental certification by 2022	2021	98%	100%
SOCIAL	<ul style="list-style-type: none"> <li>• <b>Employee health and safety</b></li> <li>• <b>Conducting an ethical business</b></li> <li>• <b>Responsibilities towards employees</b></li> <li>• <b>Employer branding - talent retention</b></li> <li>• <b>Economic support to local communities and CSR policies</b></li> </ul>	Reduce the accident frequency index from 11 to 9 by 2026	2022	16.1	17.9
		Increase personnel training hours by 50% by 2023	2021	72%	80%

**SPREAD THE CULTURE OF SUSTAINABILITY WITH INTERNAL AND EXTERNAL INITIATIVES**

Thanks to IRSAP's new strategic plan, in the coming years we will be able to report on objectives related to the projects included in the "ESG Plan – People and Sustainability" section. Parallel to the new strategic plan, in the interests of continuity, we report on the progress of the objectives defined in previous years and which are monitored annually. The objectives achieved in the year 2022, which have already been reported on, have not been reported again.

The path towards the target continues and has seen an improvement in 2023, going from 500 to 415 production complaints per 100,000 units produced. This improvement is due to the constant effort and attention in the management of all operational and production phases in the plants. Improvement actions were set up with the aim of reducing defects reported by customers in the previous year.

The investment plan also progressed into 2023 by making improvements to existing production lines, leading to greater overall energy efficiency of the plants. In 2023, four new production lines were installed in IRSAP facilities to replace the previous ones, and insulation work to improve thermal efficiency in some buildings was completed.

The path towards achieving a total of EUR 75 million EBITDA in the five-year period 2022-2026 continues. The overall target achievement rate stands at 46% since the year the measurement began. The ratio of net financial position to EBITDA also remained below the limit in 2023.

For the target of reducing CO<sub>2</sub> emissions per kilometre travelled by the company's fleet, the emissions produced from 2020 to 2023 were recalculated showing an almost stationary situation. Therefore, as an opportunity for improvement, it is proposed that the travel manager be assigned the task of verifying new mobility solutions and reviewing how the objective is achieved.

After obtaining the environmental certification IRSAP intends to strengthen the actions necessary to verify the procedures, instructions and activities required to ensure a system capable of controlling the certification process. Through the environmental management system, the organisation provides appropriate guidance to management with the aim of making a significant contribution in terms of strategic direction, system effectiveness and continuous improvement. Through the implementation of the Environmental Management System according to the ISO 14001 scheme, opportunities to improve environmental performance emerge such as encouraging sustainable mobility, waste management, improving the accounting of environmental and social sustainability of risks with a forward looking approach.

The frequency index adjusted for commuting accidents and calculated according to the formula  $\text{no. accidents/hours} \times 1,000,000$  is worse for 2023 with a value of 179. A strategic project to improve the attendance index was activated. More details can be found under "REDUCTION IN ACCIDENTS".

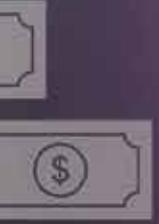
The 50% increase in total personnel training hours, without taking into account compulsory training hours, is a continuing objective. In 2023 we reached 80% of the target, compared to the 100% planned, because between April and July there was a slowdown in production activities with rather intensive use of negative flexibility, holidays and leave. The decrease in attendance days resulted in a decrease in training hours.

# CHAPTER 2

# OUR

# INTEGRITY

INTRODUCTION BUSINESS STABILITY AND  
THE CORPORATE FUTURE ORGANISATION,  
MANAGEMENT AND CONTROL MODEL THE CODE  
OF ETHICS INTERNATIONAL GOALS





# INTRODUCTION

The company's activities are characterised by fairness, transparency and the reduction of risks resulting from the effects that the company's activities may have on the environment and people.

Concurrently with the approval of the 231 Organisation and Management Model (OMG), a Supervisory Board (SB) was appointed by the Board of Directors to oversee the observance, functioning and updating of the OMG (including the Code of Ethics) and to coordinate information and training on the Decree, the Model and the Code.

**Responsibility:**

The management of Governance issues is assigned to the Managing Directors and personnel of the following IRSAP S.p.a. functions:

- Legal Department
- Human Resources
- Administration, Finance, Control and IT Systems.

These functions interface with the Group companies, actively collaborating with specific functions and the respective plant managements.

**Boundary of the topic**

IRSAP Group and IRSAP S.p.a.

# BUSINESS STABILITY AND THE CORPORATE FUTURE

The entire share capital of IRSAP is owned by the Rossi family.  
Fabrizio Rossi is Chairman and Managing Director.  
Marco Rossi is Managing Director.  
The Managing Directors involved top management in the creation of the new strategic business plan.

Following the definition of the new strategic plan, the Managing Directors have not only defined the course to be followed by IRSAP, but every day since the launch of the strategy, they personally contribute, working closely with management, in defining and developing detailed projects to achieve the objectives and in monitoring the kpi associated with the projects. In 2023, the Group recorded a consolidated turnover of EUR 144 million.

The share capital of each Group company is shown below:

- **IRSAP S.p.a.** (Parent Company) - € 19,260,000
- **IRROM Industrie S.r.l.** - € 10,000,000
- **Irsap Iberica S.L.** - € 12,000
- **Irgroup S.a.r.l.** - € 10,000
- **Irsap U.K. Ltd** - £50,000
- **BEMM GmbH** - € 216,000

As Parent Company, IRSAP S.p.a. has adopted a traditional governance model that aims to ensure the proper functioning of the Company and the Group. The model is characterised by the presence of the following bodies: the Shareholders' Meeting, the Board of Directors (BoD), the Board of Statutory Auditors.

The statutory audit of the accounts is entrusted to an Auditing Company, appointed by the Shareholders' Meeting. The current Administrative Body, appointed by the Shareholders' Meeting, consists of a Board of Directors (B.o.D.), currently composed of three members. The Board of Directors possesses all powers of ordinary and extraordinary administration and, pursuant to the Articles of Association, may delegate all or part of its powers to an executive committee to be formed from among its members or to individual Directors, appointing one or more Managing Directors.

The Board of Directors: develops strategies, assesses the Group's economic, social and environmental performance, carries out risk and opportunity analyses, and assesses compliance with regulations and codes of conduct. As at 31 December 2023:

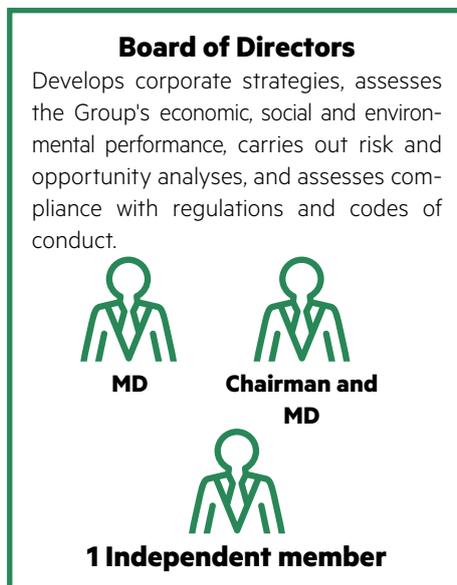
- The Board of Directors consists of three members, two of whom are executive and one independent.
- The term of office of the governing body is three financial years.
- The Board of Directors is composed entirely of male members.

No specific diversity policies have been adopted in relation to the composition of the Board of Directors. Discrimination on the basis of ethnicity, nationality, country of origin, gender, sexual orientation, religion, political or other opinions is excluded.



### Members' Meeting

Appoints the members of the Board of Directors.  
Approves the Consolidated Financial Statements.  
Appoints the Board of Statutory Auditors.



### Supervisory body

3 Members



### Board of Statutory Auditors

1 Chairman  
2 Statutory Auditors



### Internal committees

Cross-functional working groups.



INNOVATION

BUSINESS  
VISION

MANAGEMENT

GOAL

PLAN

MARKETING

DEVELOPMENT

IDEA

# ORGANISATION, MANAGEMENT AND CONTROL MODEL

IRSAP S.p.a. adopted its own Organisational Model in 2009, pursuant to It.Legislative Decree 8 June 2001, no. 231, "Regulations on the administrative liability of legal persons, companies and associations, including those without legal liability", with the aim of equipping itself with a system of guiding principles and operating protocols to ensure correct and transparent conduct, in line with the values that inspire IRSAP S.p.a. in the pursuit of its corporate purpose and such as to prevent the risk of the offences provided for in the Decree being committed.

With reference to the Organisation, Management and Control Model, the Supervisory Board:

- verifies the adequacy, effectiveness and any need to update the Organisational Model and the implementation of the proposed solutions;
- carries out information and training activities in the company on the Model;
- manages information flows and reports received by reporting to the competent corporate bodies.

For the drafting of the model, the risk areas were mapped out, i.e. those sectors and/or processes of the company in respect of which the risk of offences being committed was deemed to exist in abstract terms; this mapping led to the preparation of specific special sections:

- Protocol A: for the prevention of offences of corruption, including between private individuals, and other offences against the Public Administration, as well as the offence of obstruction of justice;
- Protocol B: for the prevention of corporate and tax offences;
- Protocol C: for the prevention of organised crime offences, transnational offences and offences of receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin and self-laundering;
- Protocol D: for the prevention of offences against

the person and employment of third-country nationals;

- Protocol E: for the prevention of computer crimes and unlawful data processing as well as copyright infringement offences. The Supervisory Board is required to report the results of its activities to the Managing Directors and the Board of Directors;
- Protocol F: for the prevention of offences of forgery of instruments and identifying marks; offences against industry and trade;
- Protocol G: for the prevention of offences committed in violation of occupational health and safety regulations;
- Protocol H: for the identification of risk areas and the prevention of environmental crimes.

The model has undergone several updates over the years, the latest of which was to adapt it to the new regulatory provisions in force as of 2023 on Whistleblowing.

# **THE CODE OF ETHICS**

An essential element of the control system is represented by the adoption of a Code of Ethics, as an autonomous and generally applicable regulatory instrument, aimed at expressing the principles of “corporate ethics” that the entity recognises as its own and on which it calls for compliance by all employees, as well as by the subjects with which the entity has relations.

The Organisation and Management Model and the Code of Ethics are closely related and must be understood as the expression of a single body of rules adopted by the Company in order to promote the high moral principles of fairness, honesty and transparency in which IRSAP strongly believes and to which it intends to conform its activities.

The Code of Ethics was first written and adopted in 2009 and is periodically updated on the basis of organisational and/or regulatory developments.

Each employee is required to comply with the principles contained in the Code of Ethics, to actively contribute to its implementation and to report any shortcomings. Employees and stakeholders are informed of the Code of Ethics by means of the

delivery of material (in paper or electronic format) and by posting it on notice boards on the premises where the Company's business is conducted.

The Company envisages sanctions for Personnel conduct that is not compliant and consistent with the values and principles of the Code of Ethics and the Organisational Model, reserving the broadest protection of its interests according to the seriousness of the infringements committed in application of the Disciplinary System adopted.

Violation of the rules of the Code by personnel may constitute a breach of the primary obligations of the employment relationship or a disciplinary offence, with the relevant legal consequences as specified in the Disciplinary Code.

# PRINCIPLES OF THE CODE OF ETHICS

Legality



Correctness and absence of conflict of interest



Confidentiality and information management



Impartiality



Honesty



Integrity



Transparency



Efficiency and quality



Liability towards customers



Value of human resources



Health and safety



Environmental Protection



Protection of individual personality



Protection of corporate assets



Gifts, presents and other benefits



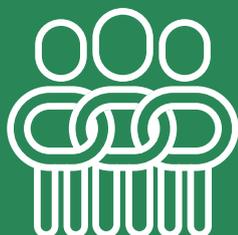
Cash outflows



Reduction of fiscal risk



Relations with the public administration



Relations with associations, bodies, trade unions



Relations with suppliers, consultants and subcontractors



Tender management





# INTERNATIONAL GOALS

Innovation skills, excellent engineering, synergy of ideas and revolutionary design make our products the most advanced ever. IRSAP's all-Italian excellence is continuously certified by a large number of awards that confirm us as a leading player on the international design and advanced technology research scene.

**ORIGIN** is the origin, development, evolution of comfort. Always connected radiator, perfect synthesis of design and technology. Temperature and air quality control can be managed manually with touch buttons or remotely with the NOW App without the need for additional devices. ORIGIN is the result of a project in which IRSAP collaborated with Desall to create a design radiator with essential lines and advanced technological content . An electric hotplate, ORIGIN is distinguished by its stylised shape, a tribute to the origin of life, hence the name. It is equipped with a multi-coloured LED light system that varies in intensity from bottom to top with a waning pattern of illumination at the top of the radiator.

2  
0  
2  
3  
INNOVATIVE  
PRIOR  
t of best



ORIGIN won the **Archiproducts Design Awards 2023** and in early 2024 was awarded the **German Design Awards 2024**, one of the most prestigious design competitions. Open to companies, designers and architects from all over the world, this prize is awarded to those ideas that represent the newest and most interesting developments in the design industry. IRSAP remains a leading player in the international design and technology scene thanks to its major awards.

Relax Hybrid is the ventilated radiator from IRSAP. Relax Hybrid makes aesthetics and advanced technology possible in a small space. With a thickness of only 107 mm, it is the thinnest ventilated radiator ever. The solution to the space and design requirements of contemporary homes that demand essential geometries and concrete, unobtrusive elements to make rooms suitable for everyday living and the pleasure of beauty. Relax Hybrid won the **IF Design Award 2023** and the **German Design Award 2023**.







## **CHAPTER 3**

# **ENVIRONMENTAL AND SUPPLY CHAIN SUSTAINABILITY**

INTRODUCTION

THE CHARACTERISTICS OF THE SUPPLY CHAIN

ENVIRONMENTAL AND SOCIAL ASSESSMENT OF SUPPLIERS

THE USE OF NATURAL RESOURCES AND ENVIRONMENTAL IMPACT

ENERGY AND GAS CONSUMPTION

CORPORATE FLEET MANAGEMENT

THE CONSUMPTION OF WATER RESOURCES

WASTE MANAGEMENT AND TRACEABILITY

THE IGREEN PROJECT

# INTRODUCTION

The Group adopts methodologies and practices to assess and quantify the environmental loads and direct/indirect impacts associated with the organisation's activities and product life cycle, from raw material selection to final recycling, in a Life Cycle Thinking logic.

The proper management of natural resources is an essential part of our business. For this reason, the Group is continuously engaged in the design and development of increasingly sustainable products that are an expression of the company's values. Protecting the environment, reducing emissions and energy consumption are key objectives for the Group.

The continuous process of technological growth has therefore led to the development of ideal components for the most advanced heat generators, for the most modern low-temperature systems and for other high-performance systems, always according to the requirements of green building. We are aware that every activity of the Group has an environmental impact related to the consumption of limited natural resources, CO<sub>2</sub> emissions and other greenhouse gases that contribute to global warming.

The Group considers environmental protection to be a guiding principle and a duty to future generations. Today, and more than ever in the future, sustainability for the Group means competitiveness in the markets, credibility and reliability, both locally and in the communities where we operate. This is why we pay the utmost attention to the ethical and sustainable development of our business: a philosophy shared at Group level that allows IRSAP to operate in harmony with the environment and the local communities, pursuing

the objectives of cost-effectiveness through products and processes developed according to a long-term strategic vision.

The Group's investments, combined with a constant and widespread commitment of the corporate functions involved, have enabled IRSAP S.p.a. to obtain ISO 14001 certification in the first half of 2023. The Environmental Management System, already part of the company's management system, is aimed at coordinating environmental aspects more effectively, meeting legislative compliance obligations and assessing risks and opportunities. IRSAP voluntarily subscribes to the specific requirements of the standard in order to integrate rules for even more effective management of environmental aspects into its organisational system. This important result confirms our constant commitment to change and to projecting into the future. The next step, as already stated in the ESG Plan section, is to implement a measurement of the impacts of our individual products according to the Life Cycle Analysis methodology.

### **Responsibility:**

The personnel involved in the management of issues related to this topic are assigned to the following IRSAP S.p.a. functions:

- Quality Assurance
- Safety and Environment
- Operations Department (Logistics and Purchasing)
- Technical Management
- Human Resources
- Administration, Finance, Control and IT Systems.

These functions interface with the Group companies, actively collaborating with specific functions and the respective plant managements.

### **Boundary of the topic**

IRSAP S.p.a., IRROM S.r.l.



# THE CHARACTERISTICS OF THE SUPPLY CHAIN

During the reporting year, the way suppliers are identified was remodelled using a three-level classification.

This entails a reorganisation of the categories disclosed in previous reports. In 2023, the IRSAP Group's supply chain has 318 suppliers.

For further details, please refer to paragraph 2-4 "review of information" within the technical index. The first level is subdivided as follows:

- direct material suppliers;
- indirect material suppliers;
- suppliers of finished products.

The second and third levels offer further subdivisions by category of products purchased (e.g. packaging, accessories etc.) and by materials (e.g. cardboard, plastic etc.).

This new subdivision provides effective and timely data to manage our supply chain as responsibly as possible.

For this classification, all transport, service and consultancy providers were excluded.

Local suppliers, at IRSAP Group level, account for 74% of the total suppliers assessed. Suppliers located in the same geographical areas as the individual Group companies are considered local.

For the selection of its suppliers, the IRSAP Group is in the process of activating a new process of registration, qualification and monitoring of individual supply categories.

Following the events of the past few years where a supply chain disruption was experienced, already described in previous reporting periods and later in the paragraph "The Supply Chain Market 2023", a supply risk reduction policy is being implemented with the activation of additional suppliers to back up strategic materials and components.

At Group level, purchases, i.e. items B6-B7 in the 2023 consolidated financial statements, amount to a total of EUR 91.5 million.



# ENVIRONMENTAL AND SOCIAL ASSESSMENT OF SUPPLIERS

The Group works with suppliers who share the same commitment to employee protection, have high ethical standards and are managed in a responsible manner.

Relations with suppliers are characterised by a sense of responsibility and a spirit of cooperation.

Our suppliers undertake to carry out all the activities envisaged in their relations with IRSAP, behaving with absolute propriety, respecting the law, and complying with the rules and principles established by the Organisational, Management and Control Model and/or the customer's Code of Ethics, and the Supplier Code of Conduct available on the IRSAP Group's website, in the policies and documents section.

### THE SUPPLY CHAIN MARKET 2023

The steel market went through a period of volatility. After the steep rise in 2021 and the fall in 2022, 2023 saw a stabilisation of prices, returning to levels similar to those of 2018-2019. The steel industry had to face major challenges such as: the green turn dictated by the stringent European rules on decarbonisation, the new scenarios on the Chinese economy and the crisis in the real estate sector, geopolitical tensions in the various international conflicts, which impacted the raw material markets.

As regards the glazing powder, after the two-year period 2021/2022 with significant fluctuations in energy costs and shortages of certain raw materi-

als, price stability was achieved in 2023 by virtue of some factors such as: decrease in marked demand and the consequent stability in raw material procurement.

The packaging market remains a market to which special attention must be paid. In 2023, price stability has been established as a result of lower energy costs, which have a significant impact on production processes. The packaging sector is to be closely monitored, depending on future developments in environmental and recycling policies, as well as the evolution and expansion of specific regulations (e.g. "Plastic Tax") that may significantly impact purchase costs.

In the electronics sector, the shortage of semiconductors, which started with the pandemic, continued to influence the market in 2023. Demand remained high, while supply struggled to keep up, leading to a modest increase in prices. Supply chain and delivery time issues, mainly related to geopolitical tensions, are also reported for the year 2023, affecting prices and availability of components.

In general, the year 2023 was characterised by a substantial normalisation of commodity prices after the extreme fluctuations of previous years, with a return to more stable but still high levels compared to the recent past.

## **THE SUPPLIER CODE OF CONDUCT AND THE SUSTAINABILITY QUESTIONNAIRE**

In 2023, IRSAP renewed its request to fill out the self-assessment questionnaire on sustainability issues to direct and indirect material suppliers. 73% of the suppliers, out of a total of 75 involved, responded between the end of 2023 and the beginning of 2024.

The results, which currently give IRSAP information on the ESG position of suppliers, can be used as guidance for future selection processes.

The IRSAP Group's Supplier Code of Conduct, published in 2022, specifies and encourages the continuous implementation of the IRSAP Code of Ethics by recalling some of its provisions and supplementing them with some minimum standards that IRSAP asks its suppliers to respect and adopt as part of their business activities.

IRSAP believes in partnership and collaboration with its suppliers with the aim of creating a mutual benefit to ensure that the issues of responsible procurement are applied throughout the supply chain.

The Supplier Code of Conduct stipulates compliance with the principles concerning: acquisition and application of management systems for environmental aspects, qualification of personnel, workers' rights, impartiality, value of human resources, health and

safety, fairness and absence of conflict of interest, transparency and anti-corruption.

Strong partnerships build trust not only with our suppliers, but also along the entire value chain.



# **USE OF NATURAL RESOURCES AND ENVIRONMENTAL IMPACT**

The use of natural resources and environmental impact are key aspects and are monitored and reduced thanks to the integrated HSE system in IRSAP S.p.A., which is ISO 14001 certified. In line with our environmental policy, the Management System is implemented in such a way as to be consistent with our organisation and focused on the truly relevant environmental aspects, such as:

- using energy from renewable sources as much as possible for their activities;
- involving employees in the responsible consumption of resources;
- limiting paper-based documents as much as possible in favour of digital information and data management;
- protecting the environment, reducing the impact of production steps on it and paying close attention to the consumption of natural resources;
- protecting society and people, creating the right conditions for safety in the workplace and instilling a sense of belonging in all areas of the company;
- spreading the circular economy, creating value for growth, development and progress, with great attention to each individual person.

These are the environmental aspects on which IRSAP intends to act with a view to reducing and minimising environmental impacts.

# ENERGY AND GAS CONSUMPTION

**Scope:** IRSAP S.p.A., IRROM Industrie, Photovoltaic Companies

With the aim of reducing energy consumption, gas consumption and CO<sub>2</sub> emissions, the programme to curb energy demand initiated in 2022 continues.

The investment plan is making improvements to existing production lines, leading to greater overall energy efficiency of the plants. In 2023, four new production lines were added to the IRSAP plants to replace the previous ones in order to implement technological innovations that also lead to production and energy efficiency.

The new fibre laser centres started up in the second half of 2023 show lower consumption in terms of relative energy, thus in relation to volume.

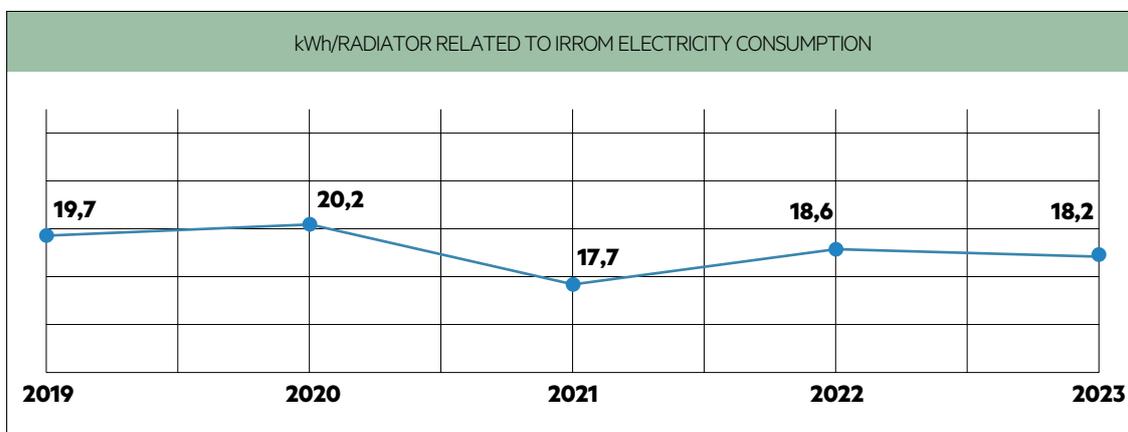
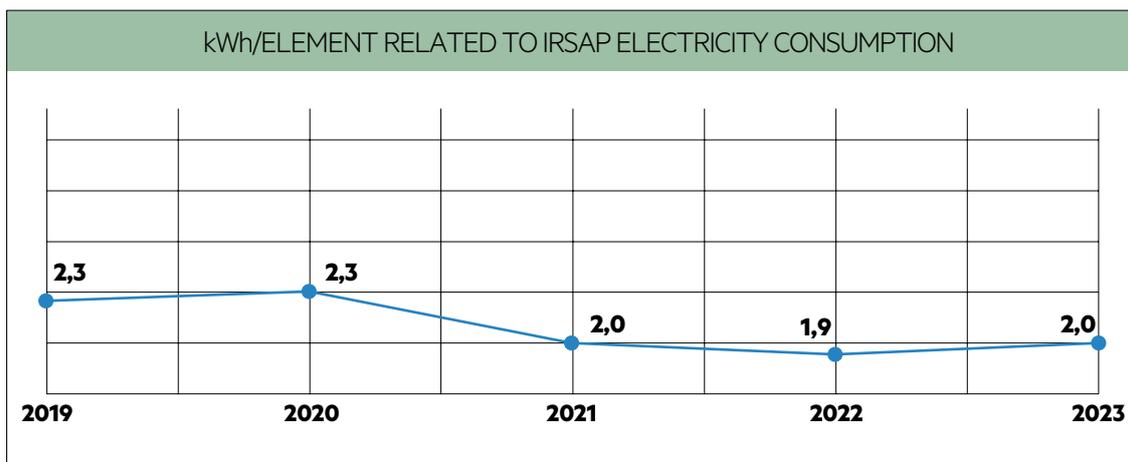
At the IRROM plants in 2023, a diversification in the cooling of the production lines between buildings 1 and 2 took place; now both buildings have differentiated cooling systems instead of a single system.

The investments led to the installation of a new compressor with inverter and a centralised compressed air line management and optimisation system. The energy savings observed during 2023 are in the order of 60,000 kWh.

## ELECTRICITY CONSUMPTION

In relation to the IRSAP Group's activities (with reference to the plants in Italy and Romania only), energy consumption totalling 16.6 million kWh was recorded during 2023, a decreasing figure compared to 2022. Overall, the use of electricity decreased compared to the previous reporting period due to energy efficiency improvements and lower volumes produced. The graphs in the figure show a slight increase in energy intensity for plants in Italy and a slight decrease for plants in Romania.

ELECTRICITY CONSUMED AT IRSAP AND IRROM PREMISES IN kWh		
2021	2022	2023
19,887,468	19,235,191	16,603,161



### SELF-GENERATED ELECTRICITY

The self-generated electricity from our photovoltaic systems is partly used for production and partly fed into the grid. The table shows the total electricity produced in Italy and Romania. With regard to electricity produced in Italy, it should be noted that the difference from the figure for the previous reporting period is due to the effect of the sale of the photovoltaic companies in 2023.

SELF-GENERATED ELECTRICITY IN MWh		
2021	2022	2023
13,364	13,605	6,418

# ENERGY AND GAS CONSUMPTION

## **GAS CONSUMPTION AND EMISSIONS**

The main sources of methane gas consumption are heating systems, painting ovens, packaging machines and finally the electro-fluid paint stripper. In the second half of 2023, an obsolete gas-powered packaging machine was replaced at the Italian plant with a new electric one. Emissions into the atmosphere come mainly from the welding plants, in any case, they are filtered beforehand.

For atmospheric emissions, IRSAP S.p.a. has ob-

tained the provincial Single Environmental Authorisation (AUA), which summarises the status of discharges into the atmosphere and the maximum limits allowed at provincial level. In addition, the Company carries out an annual chemical analysis of emissions, using an external laboratory. In 2023, the centralised management of general heating for non-production plants continued.

GAS CONSUMED AT IRSAP AND IRROM PREMISES IN Smc		
2021	2022	2023
2,469,016	2,084,915	1,862,154

The Group's CO<sub>2</sub> emissions (with reference to the plants in Italy and Romania alone) consist of 3,681 tonnes of direct emissions, caused by natural gas consumption.

Collaboration with some of our transport suppliers led to a first partial comparison of Scope 3 emissions between the year 2022 and the year 2023. The

transports considered (marked with an asterisk) concern Italy, France, Luxembourg and transports to the UK, Romania and Poland. The emissions reported here represent 73% of the total transport leaving the IRSAP S.p.a. plant.

GHG TN <sub>CO2</sub> EMISSIONS		
Type of emission	2022	2023
Direct Emissions - Scope 1	4,292	3,681
Indirect Emissions - Scope 2	8,198	7,397
Indirect Emissions - Scope 3	599*	515*

Direct Emissions - Scope 1: refer only to emissions caused by natural gas consumption

Indirect Emissions - Scope 2: refer only to emissions caused by electricity consumption

\* Indirect emissions - Scope 3: refer only to partial emissions from transport with some of our suppliers

Country-specific Emission Factors (Italy, Romania) were used to calculate indirect CO<sub>2</sub> emissions. GHG Scope 2 emissions for IRSAP plants have been reduced to zero, this is mainly due to the purchase of guaranteed renewable energy at source and the use of self-generated renewable energy.

Both IRSAP S.p.a. and IRROM S.r.l. are not located in the vicinity of environmentally protected areas or adjacent to areas of high biodiversity or hosting protected species.

This means that the conservation or restoration of

natural habitats is not relevant to the operations of the companies. During 2023, the IRSAP Group contributed to environmental protection by avoiding CO<sub>2</sub> emissions through its photovoltaic plants.

The table below shows the Kg of CO<sub>2</sub> saved in the year 2023 and in the period 2012-2023.

	UM	CO <sub>2</sub> saved	PHOTOVOLTAIC COMPANIES	IRSAP	IRROM
CO <sub>2</sub> saved year 2023	Kg	1,625,153	-	328,769	1,296,384
CO <sub>2</sub> saved from 2012 to 2023	Kg	42,577,125	20,892,579	4,843,432	16,841,114

# CORPORATE FLEET MANAGEMENT

**Scope:** IRSAP S.p.A.

For company vehicles, emissions accounting has improved and GHGs have been reported in a more timely manner. With the 2024 reporting data, emissions of pollutants will be accounted for on the basis of purchased volumes of fuel per individual vehicle and no longer on the basis of kilometres driven per vehicle. In order to provide a comparable figure for this method of accounting, we include below the table of CO<sub>2</sub>eq emissions from fuel consumption. For the conversion to CO<sub>2</sub>eq, the 100-year GWPs of the 5th IPCC Report for 2020-2022 and the 6th IPCC Report for 2023 were used.

Category	Emissions	UM	2020	2021	2022	2023
Automobiles	CO <sub>2</sub>	kgCO <sub>2</sub> eq	135546	167835	187979	193813
	CH <sub>4</sub>	kgCO <sub>2</sub> eq	27	58	112	135
	N <sub>2</sub> O	kgCO <sub>2</sub> eq	1310	1580	1687	3220
	<b>TOTAL</b>	<b>kgCO<sub>2</sub>eq</b>	<b>136883</b>	<b>169473</b>	<b>189777</b>	<b>197168</b>
	Total KM	Km	956966	1157374	1254056	1305812
	<b>CO<sub>2</sub>/KM</b>	<b>kgCO<sub>2</sub>eq</b>	<b>0.14</b>	<b>0.15</b>	<b>0.15</b>	<b>0.15</b>
	<b>CO<sub>2</sub>/KM</b>	<b>grCO<sub>2</sub>eq</b>	<b>143</b>	<b>146</b>	<b>151</b>	<b>151</b>
Light Vehicles	CO <sub>2</sub>	kgCO <sub>2</sub> eq	17387	20815	25946	28920
	CH <sub>4</sub>	kgCO <sub>2</sub> eq	9	9	14	13
	N <sub>2</sub> O	kgCO <sub>2</sub> eq	113	136	166	187
	<b>TOTAL</b>	<b>kgCO<sub>2</sub>eq</b>	<b>17509</b>	<b>20960</b>	<b>26125</b>	<b>29120</b>
Heavy Vehicles	CO <sub>2</sub>	kgCO <sub>2</sub> eq	91892	93475	74491	70240
	CH <sub>4</sub>	kgCO <sub>2</sub> eq	124	73	54	47
	N <sub>2</sub> O	kgCO <sub>2</sub> eq	849	1103	908	907
	<b>TOTAL</b>	<b>kgCO<sub>2</sub>eq</b>	<b>92866</b>	<b>94651</b>	<b>75453</b>	<b>71194</b>
Total Vehicles	CO <sub>2</sub>	kgCO <sub>2</sub> eq	244825	282125	288416	292973
	CH <sub>4</sub>	kgCO <sub>2</sub> eq	161	141	179	195
	N <sub>2</sub> O	kgCO <sub>2</sub> eq	2272	2819	2760	4314
	<b>TOTAL</b>	<b>kgCO<sub>2</sub>eq</b>	<b>247258</b>	<b>285084</b>	<b>291355</b>	<b>297482</b>
	TOTAL Km	Km	1026967	1243071	1326721	1373257
	<b>CO<sub>2</sub>/KM</b>	<b>kgCO<sub>2</sub>eq</b>	<b>0.24</b>	<b>0.23</b>	<b>0.22</b>	<b>0.22</b>

In relation to the target of reducing CO<sub>2</sub> emissions per kilometre travelled by the company fleet, the emissions produced from 2020 to 2023 were recalculated, showing an almost stationary situation. Therefore, as an opportunity for improvement, it is proposed that the travel manager be assigned the task of verifying new mobility solutions and reviewing how the objective is achieved.

Below is a table with the CO<sub>2</sub> equivalent emissions calculated from the kilometres travelled as in previous editions of the sustainability report. The vehicles are divided into three categories. For the calculation of emissions, emission factors provided by ISPRA's National Environmental Information System Network (SINANET) expressed in g/km total were taken into account, while the 100-year GWPs of the 5th IPCC Report for 2022 and the 6th IPCC Report for 2023 were used for the conversion to CO<sub>2</sub> eq. Using this calculation methodology, we can see that, due to the increase in kilometres travelled, the figure is worse with a delta of 24,160 kg of CO<sub>2</sub> equivalent.

Category	Emissions	UM	2022	2023
Heavy vehicles	CO <sub>2</sub>	gr	76,095,295.33	69,238,386.93
	CH <sub>4</sub>	gr	1,829.10	1,666.16
	N <sub>2</sub> O	gr	3,595.30	3,275.03
Light vehicles	CO <sub>2</sub>	gr	23,457,450.36	27,450,365.66
	CH <sub>4</sub>	gr	293.79	292.34
	N <sub>2</sub> O	gr	565.67	665.99
Automobiles	CO <sub>2</sub>	gr	158,771,860.45	185,627,597.29
	CH <sub>4</sub>	gr	2,955.00	3,730.00
	N <sub>2</sub> O	gr	5,325.72	6,129.99
Partial Total	CO <sub>2</sub>	gr	258,324,606.14	282,316,349.87
	CH <sub>4</sub>	gr	5,077.89	5,688.51
	N <sub>2</sub> O	gr	9,486.69	10,071.01
<b>Grand Total</b>	<b>Kg CO<sub>2</sub> EQ</b>		<b>261,056.51</b>	<b>285,224.44</b>
GHG / PF Emission index	Kg CO <sub>2</sub> EQ/PF		0.045	0.063



IRSAP

# THE CONSUMPTION OF WATER RESOURCES

Given the nature of the business and the increasing company-wide awareness activities, the Group (with reference to the plants in Italy and Romania only) has relatively low water consumption.

The highest water consumption occurs in the testing and painting production departments; at the end of the processes and before discharge, the water is filtered and purified.

For water discharges, IRSAP S.p.a. has obtained the regional Single Environmental Authorisation (AUA), which summarises the status and maximum limits allowed at provincial level.

In the light of these parameters, for Italian plants, the company guarantees the performance of chemical analyses on discharges, through laboratories certified and accredited by the Veneto Region.

In 2023, the IRSAP Group's water consumption, read and metered, consists of over 34,000 cubic metres, a decrease of 8% compared to 2021. The water used is generally taken from municipal water networks. For IRSAP S.p.a., the highest water consumption was caused by a 600 m<sup>3</sup> leak in the first months of the year and the restart of activities at Plant D during 2023 for an amount of 1000 m<sup>3</sup>.

WATER CONSUMED AT IRSAP AND IRROM PREMISES IN m<sup>3</sup>

2021	2022	2023
37,228	36,778	34,422

# **WASTE MANAGEMENT AND TRACEABILITY**

**Scope:** IRSAP S.p.A., IRROM Industrie

## **THE MANAGEMENT OF NON-INDUSTRIAL WASTE**

In recent years, the IRSAP Group has paid increasing attention to the containment of non-industrial waste throughout the entire production cycle, optimising separate waste collection and installing new ecological islands in all plants.

## **INDUSTRIAL WASTE MANAGEMENT AND TRACEABILITY**

The Group pursues the use of recyclable and easily disposable materials in all production processes, promoting and supporting circular economies. The main industrial wastes include steel, paint dust, workshop washing water, iron powder and scrap, wood, paper and cardboard from packaging machines and nylon. The traceability of industrial waste is managed from the moment it is produced and collected up to its disposal in ecological islands. To ensure efficient disposal in compliance with the law and to obtain certification from the transport and disposal

company, each industrial waste is classified with an EER code, following a chemical-physical analysis that certifies its components and characteristics.

This waste is then coded by means of a DR form on which the type of waste, the quantity, its hazardousness and finally the final disposal site are indicated. The disposal centre will handle the end-of-life of the waste.

During the financial year 2023, there was no damage caused to the environment for which Group companies were found guilty and no penalties or sanctions were imposed for environmental crimes or damage. IRSAP S.p.A. carries out thorough checks, employs external consultants and is committed to obtaining all specific authorisations, in order to prevent environmental risks such as factory air emissions, water discharge spills, noise to the outside world and waste management.

WASTE DISPOSED BY IRSAP AND IRROM BY TYPE AND METHOD OF DISPOSAL IN Kg						
	2022			2023		
	Hazardous	Non-hazardous	TOTAL	Hazardous	Non-hazardous	TOTAL
RECOVERY	14,341	4,222,050	<b>4,236,391</b>	14,768	3,282,242	<b>3,297,010</b>
LANDFILL	30,048	339,401	<b>369,449</b>	17,335	388,007	<b>405,342</b>
TOTAL	44,389	4,561,451	<b>4,605,840</b>	32,103	3,670,249	<b>3,702,352</b>

The decreasing waste figure for 2023 follows the trend of the year's production volumes. No extraordinary evacuations were carried out. At IRSAP, the implementation of the Environmental Management System according to the ISO 14001 scheme opens up opportunities to improve environmental performance, including waste management with the introduction of the RENTRI regulation. The current resource management system involves an activity focused on waste management and consumption monitoring.

All these processes can be controlled and improved. To optimise the reporting of waste, it was decided to implement a new digital platform. The platform also provides the possibility of integrating the management and economic part of waste management in order to report on the waste of the production chain in greater detail. This digitisation process should lead to considering waste not as waste but as a resource for the improvement process.



# THE iGREEN PROJECT

The iGreen project has been running for five years at IRSAP. The project consists of promoting initiatives within and outside the company to build awareness of important sustainability issues. The iGreen group is made up of 20 people who voluntarily decided to take the front line to make a concrete contribution to issues such as energy saving, optimising resources, reducing waste and recycling, and violence against women. The group's goal is to increase awareness and culture of sustainability by developing concrete projects in the short, medium and long term. During 2023, the group launched and strengthened the following initiatives:

- **Adopted 6 hives** with a total of 400,000 bees thanks to the partnership with **Beeing**. The honey made by the bees was then donated to IRSAP employees for a total of one hundred jars distributed;
- **Supported the start-up “Le Fragole di Sofia”** with the purchase of 400 kg of strawberries grown in a technological and innovative greenhouse adopting sustainable cultivation practices. Strawberries are cultivated under an integrated pest management regime, with preference given to biological control methods;
- **Activated a partnership with RECIG** for the collection of cigarette butts on World No Smoking Day. During 2023, 7 kg of butts were collected, corresponding to 23,333 butts or 1163 packets of cigarettes. A workstation was also set up, in cooperation with the Rovigo Local Health Authority, to help employees who so wished to start a smoking cessation programme;

- **Participated in “Clean up the World”** the largest environmental volunteering event promoted by Legambiente. In September 2023, 45 colleagues together with volunteers, family and friends helped clean up one of the beaches in the province of Rovigo, where the group's headquarters are located. A concrete signal that creates a positive impact on the environment and the land around us. A total of 205 kg of waste was collected and delivered to the local municipal company;
- **Organised a training for 80 colleagues on the occasion of the International Day Against Violence Against Women.** The training topics that were addressed were: the relationship between gender equality and gender-based violence, historical and legal framework, forms of violence and the consequences of violence, the costs of violence and above all the importance of networking and culture. During the meeting, a true testimony was read out by the Rovigo Anti-Violence Centre, which then spoke about its role in protecting women and the procedure for protecting women. A red bench was installed in the green area of our production plant with the phrase **“violence against women is a defeat for everyone”**. It is hoped that the bench will attract attention during breaks by colleagues, stimulating active discussions on the topic. Finally, a **free self-defence course** was organised aimed at female colleagues and daughters of all IRSAP colleagues with a minimum age of 12.

The iGreen Group's commitment continues, involving every person in the IRSAP Group day after day.





# CHAPTER 4

# OUR TEAM, SOCIAL, ENVIRONMENTAL AND CULTURAL POLICIES

INTRODUCTION

OUR TEAM

IRSAP GROUP EMPLOYEES

CLIMATE ANALYSIS AND THE IRSAP MENTOR PROJECT

GENDER EQUALITY OBSERVATORY

POLICY COMMITMENTS

IRSAP WELFARE PLAN

HUMAN RIGHTS

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HEALTH AND SAFETY AT WORK

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

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OUR MEMBERSHIPS OF ASSOCIATIONS, BODIES AND NON-PROFIT ORGANISATIONS IN 2023

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# INTRODUCTION

The Group recognises the centrality of human resources and the importance of establishing solid, transparent relationships with them, based on mutual trust. The management of labour relations is therefore inspired by the protection of workers' rights and the enhancement of their contribution, with a view to increasing the wealth of skills possessed by each employee.

Consistent with this approach and in accordance with national and international standards, the Group's policies aim to avoid any discrimination on the basis of age, gender, sexual orientation, health status, race, nationality, political opinions and religious beliefs. Furthermore, the Group is committed to protecting the moral integrity of its employees by guaranteeing the right to working conditions that respect personal dignity and a safe and healthy working environment. Any attitude or behaviour that may harm the person, his or her beliefs or preferences in any area is not tolerated. Finally, no form of irregular work, or the use of child or forced labour, is tolerated.

In order to investigate work-related accidents and find effective solutions to prevent their recurrence, the Group has adopted an Occupational Health and Safety Management System (OHSMS) with the involvement of workers' representatives and procedures for defining actions to reduce risks. Regular internal and external audit processes ensure a high quality standard of the OHSMS. For the Italian plants, a competent doctor has been appointed to carry out the activities required by It.Legislative Decree 81/08, collaborating with the company in

all related activities. Every year, the doctor draws up the health surveillance plan, schedules periodic and preventive medical examinations, carries out the inspection of the workplace and participates in the periodic meeting on the subject and in drafting the Risk Assessment Document. All the above-mentioned activities include the involvement, consultation and participation of workers or their representatives.

The Group employs a careful and rigorous recruitment process: all personnel are hired with a regular employment contract and the Human Resources Selection, Induction and Training Procedure defines the responsibilities and procedures to ensure that the human resources selection, induction and training process is carried out with respect for equal opportunities and non-discrimination for all stakeholders.

Over the years, IRSAP S.p.a. has built up a fruitful dialogue with the RSUs (United Trade Union Representatives) present at every Italian site of the Group and with the trade union representatives. This dialogue has made it possible to find the best solutions to reconcile people's needs with those of the company, guaranteeing each employee a transparent working relationship and full protection of their rights.

The IRSAP Group, aware of the economic, social and environmental role it plays in the areas where it is present, is continuously committed to creating a positive impact, according to these areas:

- Initiatives in favour of employees
- Initiatives promoted by employees and the After-work group
- Contributions to non-profit organisations and local charities.

### **Responsibility**

The personnel involved in the management of issues related to this topic are assigned to the following IRSAP S.p.a. functions:

- Human Resources
- Quality Assurance
- Safety and Environment

These functions interface with the Group companies, actively collaborating with specific functions and the respective plant managements.

### **Boundary of the topic**

IRSAP Group, IRSAP S.p.a. and IRRROM Industrie S.r.l.



# **OUR TEAM**

**We recognise in our people the real driving force behind the evolution and renewal of the Group.**

We firmly believe that the strength of an organisation is not expressed through preset and abstract logics, but rather through the formation of relationships formed through the assumption of responsibility, involvement, motivation, training and teamwork, with the realisation that people are the strategic resources that make the difference.

We are convinced that people improve their contribution if they are in welcoming and stimulating environments.

The Group maintains a firm commitment to diversity, inclusion and equal opportunities; it listens carefully and actively to the needs and requirements of its employees, through the implementation of measures such as bonus systems and salary increases following targets achieved to promote productivity and increase workforce motivation.

# **IRSAP GROUP EMPLOYEES**

100% of the Group's employees are covered by collective bargaining agreements, with the exception of the employees of BEMM GmbH and IRSAP Uk Ltd, for whom specific national laws apply.

At the close of the Report, the Group had a total of 1052 employees.

In 2023, a decrease in the number of personnel mainly employed at the production plants was observed. For the maternity leave data, there was one case of resignation following the end of the leave period in early 2023 and already reported in the previous edition of the sustainability report.

At IRROM, the personnel trend is essentially linked to a high turnover that was also reported in previous years.

The survey was conducted by extrapolating data

from the IRSAP Group's personnel administration systems. The data of the other companies in the Group are provided directly by the companies themselves. Data are expressed in whole heads calculated for each contract type with respect to the number of heads present at the end of each reporting period. Furthermore, taking 2022 as the base year, the representation using the Full Time Equivalent (FTE) methodology continues. With the Full Time Equivalent (FTE) methodology, data are expressed in whole heads apportioned for each type of contract with respect to the number of heads present at the end of each reporting period. For example, an employee with a 50% part-time employment contract was calculated as 0.50 and not 1.

The following tables show the workforce data in detail.

GROUP EMPLOYEES BY CONTRACT TYPE, GENDER AND GEOGRAPHICAL AREA AS AT 31.12.2023										
	2022					2023				
	MEN		WOMEN		Total	MEN		WOMEN		Total
	Indefinite Term	Fixed Term	Indefinite Term	Fixed Term		Indefinite Term	Fixed Term	Indefinite Term	Fixed Term	
IRSAP	380	38	61	9	<b>488</b>	389	5	66	2	<b>462</b>
IRROM INDUSTRIE	295	26	165	4	<b>490</b>	275	29	14,8	2	<b>454</b>
IRSAP IBERICA	8	0	7	0	<b>15</b>	7	0	7	0	<b>14</b>
IRGROUP	11	0	1	0	<b>12</b>	13	0	1	1	<b>15</b>
IRSAP UK	31	0	17	0	<b>48</b>	31	1	17	0	<b>49</b>
BEMM	42	0	23	0	<b>65</b>	40	0	18	0	<b>58</b>
<b>TOTAL</b>	<b>767</b>	<b>64</b>	<b>274</b>	<b>13</b>	<b>1118</b>	<b>755</b>	<b>35</b>	<b>257</b>	<b>5</b>	<b>1052</b>

GROUP EMPLOYEES BY CONTRACT TYPE, GENDER AND GEOGRAPHICAL AREA AS AT 31.12.2023 (FTE)										
	2022					2023				
	MEN		WOMEN		Total	MEN		WOMEN		Total
	Indefinite Term	Fixed Term	Indefinite Term	Fixed Term		Indefinite Term	Fixed Term	Indefinite Term	Fixed Term	
IRSAP	378	38	56,9	9	<b>481,9</b>	396,5	6,5	61,9	2,2	<b>467,1</b>
IRROM INDUSTRIE	297	46	168	5	<b>516</b>	273,6	29	147,4	2	<b>452</b>
IRSAP IBERICA	8	0	6,6	0	<b>14,6</b>	7	0	6,6	0	<b>13,6</b>
IRGROUP	11	0	2	0	<b>13</b>	13	0	1	0,5	<b>14,5</b>
IRSAP UK	32,8	0	15,9	0	<b>48,7</b>	30	0,6	15,1	0	<b>45,7</b>
BEMM	40,7	0	20,1	0	<b>60,8</b>	38,7	0	16,2	0	<b>54,9</b>
<b>TOTAL</b>	<b>767,5</b>	<b>84</b>	<b>269,5</b>	<b>14</b>	<b>1135</b>	<b>758,8</b>	<b>36,1</b>	<b>248,1</b>	<b>4,7</b>	<b>1047,7</b>

TOTAL NUMBER OF EMPLOYEES BY WORKING TIME REGIME AND GEOGRAPHICAL AREA IN THE GROUP AS AT 31.12.2023										
	2022					2023				
	MEN		WOMEN		Total	MEN		WOMEN		Total
	Full-time	Part-time	Full-time	Part-time		Full-time	Part-time	Full-time	Part-time	
IRSAP	411	7	55	15	<b>488</b>	387	7	52	16	<b>462</b>
IRROM INDUSTRIE	321	0	169	0	<b>490</b>	304	0	150	0	<b>454</b>
IRSAP IBERICA	8	0	5	2	<b>15</b>	7	0	6	1	<b>14</b>
IRGROUP	11	0	0	1	<b>12</b>	13	0	1	1	<b>15</b>
IRSAP UK	29	2	11	6	<b>48</b>	30	1	14	4	<b>49</b>
BEMM	39	3	17	6	<b>65</b>	37	3	14	4	<b>58</b>
<b>TOTAL</b>	<b>819</b>	<b>12</b>	<b>257</b>	<b>30</b>	<b>1118</b>	<b>778</b>	<b>11</b>	<b>237</b>	<b>26</b>	<b>1052</b>

IRSAP S.P.A. EMPLOYEES BY PROFESSIONAL CATEGORY, GENDER AND AGE GROUP												
	2022						2023					
	TOTAL	Women		Men		Total	TOTAL	Women		Men		Total
		< 30 years	30-50 years	> 50 years	< 30 years			30-50 years	> 50 years			
Executives	<b>7</b>	0	7	0	2	5	<b>8</b>	0	8	0	3	5
Managers	<b>17</b>	1	16	0	9	8	<b>16</b>	1	15	0	7	9
Employees	<b>133</b>	43	90	19	63	51	<b>131</b>	44	87	14	58	59
Workers	<b>331</b>	26	305	49	134	148	<b>307</b>	23	284	44	113	150

TOTAL HOURS OF TRAINING PER YEAR IRSAP S.P.A. AND IRROM S.R.L. BY PROFESSIONAL CATEGORIES										
2022					2023					
EXECUTIVES	MANAGERS	EMPLOYEES	WORKERS	TOTAL	EXECUTIVES	MANAGERS	EMPLOYEES	WORKERS	TOTAL	
168	116	4,093	40,763	<b>45,140</b>	186	119	8,219	42,571	<b>51,095</b>	

GROUP EMPLOYEES WHO TOOK LEAVE BY GENDER AS AT 31.12.2023		
LEAVE	WOMEN	MEN
MATERNITY	7	-
PATERNITY	-	6
PARENTAL	-	-
<b>TOTAL</b>	<b>7</b>	<b>6</b>

OVERALL DATA ON MATERNITY LEAVE	
No. Employees who returned to work during the year after taking maternity leave	2
No. Employees who should have returned to work during the year after taking maternity leave	3
Rate of return to work	66,7%
Return to work at the end of leave in 2022	2
Stay in the company after 12 months after returning from leave	1
Retention rate	67%

# **CLIMATE ANALYSIS AND THE IRSAP MENTOR PROJECT**

## **CORPORATE CLIMATE ANALYSIS (in cooperation with Great Place to Work®)**

The corporate climate has an impact on the well-being of employees: a positive working climate fosters employee involvement, motivation and a sense of belonging.

In 2023, IRSAP chose to offer an internal company climate analysis with the certifying body Great Place to Work, which represents an organisational climate analysis model based on the idea that a positive and satisfying working environment for employees contributes to the company's success. It focuses on analysing several aspects of corporate culture, including employee trust in leadership, fairness and impartiality of organisational practices, and employees' sense of belonging and well-being.

Based on an anonymous questionnaire administered to the company's employees, the results collected were analysed and compared with national and industry benchmarks to identify the strengths and areas for improvement on which the company should focus in the

short and medium term through the implementation of corrective actions with the aim of fostering greater employee satisfaction and motivation, improved productivity and organisational performance, and increased talent attraction and retention.

The results that emerged were shared and disseminated company-wide by the Managing Directors, who provided indications of the key areas IRSAP will focus on and the actions it will implement to improve the organisational climate, with the aim of measuring itself on these aspects again in the second half of 2024.



### **IRSAP MENTOR**

The IRSAP Mentor Project was set up in 2022 with the aim of facilitating the induction of new resources and the growth of people already in the company through the development of continuous shared knowledge processes, thanks to the IRSAP Mentor group made up of employees who voluntarily applied and who, following specialised training, became trainers capable of instructing colleagues on specific topics.

The Mentor project aims to improve the effectiveness of retention and onboarding processes through the creation of a codified knowledge system by promoting a continuous learning environment within the company.

The 2023 edition, compared to the modules initially proposed, IRSAP'S market and product offering, history and visit to the company museum, vision and our values, the production process and visit to the factory, order management process, organisation and main organisational processes, sustainability for IRSAP, saw the addition of the module dedicated to Lean Production.

In the course of 2023, 50 training rooms were organised, involving about 300 employees, for a total of 1,729 training hours.

In the second edition of the Mentor project, re-launched in the first half of 2024, employees voluntarily registered for the modules of interest and on the basis of these, some 25 training rooms were organised for a total of around 75 participants.

# **GENDER EQUALITY OBSERVATORY**

**We believe that gender equality is a fundamental value for the success of our Group and for the construction of a fairer and more sustainable society**

•

Gender equality is of great social, economic and cultural importance, and promoting it within the company not only reflects fundamental ethical values, but is also an important means of fostering diversity and inclusion within the workplace.

IRSAP chose to invest in gender equality training to raise awareness among its employees of the importance of promoting a respectful and inclusive work environment where opportunities for professional growth and development are accessible to all, regardless of gender.

For this reason, a training course was launched that focused on a female target group designed to help all female colleagues activate a process of acquiring power and control over their business activities by achieving better abilities to make strategic choices for themselves and their working lives.

Starting from the need to create and enhance awareness in all people so that they become able to give equal value to what is inequality and equality in personal and working life, the communication dynamics active in work teams related to the issue of gender equality in the company were analysed through group discussions and analysis of actual situations. Specifically, the training focused on different objectives with the fundamental aim of fostering

the personal and professional development of the participants.

Firstly, it was important to promote self-awareness by helping female colleagues to define how to achieve their goals and have clear directions for their future through increased self-confidence.

Another important point of the training course was the strengthening of fundamental soft skills such as assertiveness, emotional intelligence, effective communication and the ability to collaborate with others: skills that are fundamental for success in interpersonal relationships and in the work context.

The next step provided insights to help female colleagues recognise and value their strengths and encouraged them to use them to their advantage. Finally, we focused on raising awareness of gender inequality and discrimination based on sex by identifying and correcting common misconceptions and mistakes that can lead to discriminatory behaviour, and provided tools to recognise and deal with situations of violence or abuse, both in the workplace and in private life. This is crucial to ensure a safe and respectful environment for all participants.



The training course involved all IRSAP S.p.A. female colleagues for a total of 66 people divided into 4 groups. The total number of hours dedicated to training was 1056.

Following this initial training, the IRSAP Group developed the “Gender Equality Observatory” project. The reason for the project is the need to have a group of women and men within IRSAP who can formulate proposals and ways to enhance the female figure. The project is about increasing the leadership potential and developing the skills of women in the IRSAP Group.

The 17 members of the observatory, drawn from both the production departments and the personnel bodies of the company, were identified following voluntary self-nominations. There were 4 technical tutors and 1 coordinator for a total of 22 people involved. The observatory ensures, proposes and monitors the development of projects related to SDG 5. Meetings and all project development are carried out during working hours. The ultimate goal of the project is to increase the presence of women in IRSAP and to give more responsibility to women in projects and roles within the organisation. In early 2024, the observatory published the “IRSAP Group Manifesto for Gender Equality”

in all languages spoken within the group. The Manifesto, created with a Bottom-Up approach, involved collaboration between members of the observatory and top management.

The Manifesto for Gender Equality is a concrete commitment to promote the equality and empowerment of all People within our Group to create an inclusive work environment, respectful and free from gender discrimination.

You can download the IRSAP Group's Gender Equality Manifesto by framing the QrCode below with your smartphone.



# **POLICY COMMITMENTS**

**For the IRSAP Group, ethics in business  
is of paramount importance.**

## **EQUAL TREATMENT AND ANTI-DISCRIMINATION POLICIES**

The Group is strongly against any form of discrimination, rejects any kind of violence (physical, moral, psychological and sexual) and any other form of abuse of authority in the working environment or any other behaviour that can create an offensive or uncomfortable environment for workers' personal rights. Every employee of the Group enjoys the same rights; this has been incorporated in previous and current collective labour agreements.

Each employee is responsible for ensuring that the working environment is conducive to dignified and

respectful communication and interaction, according to the organisation's rules and standards of behaviour.

To prevent any form of unequal treatment, the Group has defined certain undesirable behaviours that are considered abuse, which go against the values of equal treatment:

- create a sense of intimidation, hostility or discouragement towards an individual person;
- negatively influence the individual's career path, through salary, income or any other possibility of access to training and professional development. The Group also implemented other measures, such as ensuring that recruitment advertising is non-discriminatory on the basis of gender.



## **POLICIES FOR RESPONSIBLE BUSINESS CONDUCT**

The Organisation, Management and Control Model (ex Italian Legislative Decree 8 June 2001, no. 231), the Code of Ethics and the Anti-Corruption Guidelines adopted jointly by IRSAP, are closely related and must be understood as the expression of a single body of rules adopted by the Company in order to promote the high moral principles of fairness, honesty and transparency in which IRSAP believes and to which it intends to conform its activities.

In order to prevent risks that could compromise the integrity and transparency of the organisation and thus mitigate collateral damage to its image and reputation, the Group includes in its Code of Ethics specific measures for the prevention of corruption and bribery: it prohibits directly and indirectly offering or making payments in cash or any other type of benefit to any natural or legal person in the service of any entity, whether public or private.

IRSAP's Code of Ethics contains the Company's fundamental principles and values and guidelines on the conduct to be adopted in relations within and outside the Company; as well as the principles of conduct in relation to any ethical risk areas. The Code of Ethics is freely downloadable from the IRSAP website under "policies and documents". The Code of Ethics was approved by resolution of the Board of Directors on 22/12/2020.

The IRSAP Group adopts the precautionary approach to reducing the environmental impacts of production processes and products, according to Principle 15 of the UN Declaration of Rio de Janeiro. Our Code of Ethics and Code of Conduct for our suppliers are based on our internal core values and are inspired by external principles, such as the International Bill of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on the Environment and the ten principles of the UN Global Compact.

# THE IRSAP WELFARE PLAN

We have decided to continue adopting innovative incentive policies and instruments of a non-strictly economic nature for the benefit of our employees. The Welfare Plan has the advantage of allowing all beneficiaries to benefit from tax and social security advantages for services.

Under the conditions provided for by the regulations in force, a concrete and tangible benefit to the recipients and their families is ensured. The services to which the plan gives access are numerous and diverse in nature: from shopping and fuel vouchers to holidays, training courses and family assistance.

Each employee can use the amounts for his or her own needs. Social sustainability thus has in the Welfare Plan the right ally for our employees.

The commitment to social sustainability was again recognised in 2023. IRSAP obtained for both the 2022 and the 2023 edition of Welfare Index PMI, the highest rating of "Welfare Champion" by ranking among the top 150 out of a total of 7,500 participating companies.

**Welfare Index PMI – Survey on corporate welfare** is a Generali Italia project promoted by Confindustria with the aim of promoting the culture of corporate welfare in Italy.

In addition to the payment of a higher amount than that prescribed by the national contract, IRSAP outlined all the initiatives related to this issue: the use of the platform for service delivery, the use of the category health fund, the flu vaccination service, the establishment of IRSAP FOUNDATION, and the help given to the communities surrounding the company. Last but not least, it focused on the importance of the growth and learning of future generations, talking about the study contribution initiative, the IRSAP Mentor project and the ongoing collaboration with schools and universities.

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# **HUMAN RIGHTS**

The IRSAP Group upholds and promotes respect for human rights and labour through the application of the law and good practices in the areas of employment, equality, health and safety at work, wherever it operates, as well as requiring the same level of commitment from its suppliers by providing a supplier code of conduct.

The Group guarantees the right to join trade unions and ensures access to the facilities they provide. In relation to the above, the Group promotes good practices with regard to the treatment of persons, always respecting their dignity as well as their inherent rights.

The organisation totally rejects child labour and forced or compulsory labour and is committed to respecting the freedom of association and collective bargaining.

It is the Group's belief that ethics in the conduct of its business is an indispensable condition for the enhancement and valorisation of IRSAP's activity, which has always been oriented towards providing services of excellence, pursuing maximum Customer satisfaction.



# **CYBERSECURITY AND DATA PROTECTION**

The Group works daily to preserve the trust of its customers, including through information security.

In accordance with the Code of Ethics, all information in the Group's possession that is not in the public domain is treated in accordance with the principles of confidentiality and privacy of those concerned.

Group employees are not permitted, unless formally declared by the customer, to receive and use confidential data and information without the Company having previously signed an agreement or contract with the third party involved for the use of such information.



# **HEALTH AND SAFETY AT WORK**

**Protecting the health and safety of employees in the workplace is a principle of great cultural significance for the Group.**

The Group demonstrates its commitment to these principles by making available human, instrumental and economic resources to pursue the objectives of improving the health and safety of its personnel, both as an integral part of its activities and as a strategic commitment, in compliance with the Company's general principles.

In doing so, the Group includes the entire workforce and undertakes the following activities:

- all workers are trained, informed and sensitised to carry out their tasks and to assume their responsibilities for health and safety at work;
- the entire structure participates in the achievement of the safety objectives set out in the strategic plan, so that the equipment and operating methods are carried out in such a way as to safeguard the health of the members of the company.

The safety objectives, whose tasks are set out in the health and safety protocol, are:

1. reduce the number of all accidents through the use of a prevention report by all workers;
2. carry out systematic accident analyses, discussing the results with all workers at the annual plenary meeting to instil greater awareness of safe behaviour.

Each employee contributes to ensuring the pursuit of these objectives by operating safely at work in compliance with regulations and procedures, immediately reporting any anomaly or critical situation, in accordance with assigned tasks and operational duties.



# **OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT**

IRSAP S.p.a. has an Occupational Health and Safety Management System that protects its employees 100%. This system was implemented with reference to the legislation on safety in the workplace (It. Legislative Decree 81/2008) and to the Organisation and Management Model 231 (It. Legislative Decree No. 231/2001).

IRSAP S.p.a. guarantees medical services to all employees. A competent doctor has been appointed to carry out the activities required by It. Legislative Decree 81/2008, collaborating with the Company in all activities.

Every year, the doctor draws up the health surveillance plan, schedules periodic and preventive medical examinations, carries out the inspection of the workplace and participates in the periodic meeting on the subject, finally, collaborates in drafting the Risk Assessment Document (DVR). IRSAP, in carrying out the above-mentioned activities, respects the principles of privacy protection (GDPR) and declares that it does not possess any confidential information about the personal pathologies of its employees.

In order to investigate work-related accidents and find effective solutions to prevent their recurrence, IRSAP S.p.a. summarises in the “Periodic report on the state of the Health and Safety System”:

- the outcomes of surveillance, monitoring and control activities;
- the analysis of occupational accidents with causal factors and a brief description;
- accident and near miss analysis;
- the analysis of warnings and sanctions, the state of education, information and training of workers;
- summary of compliance with prevention rules;
- other critical issues that emerged regarding the protection of workers' health and safety.

IRSAP S.p.a. also organises formal joint committees between management and workers' health and safety representatives. Finally, IRSAP S.p.a. offers employees the possibility of vaccination against influenza, always in compliance with the principles of privacy protection (GDPR).



# **REDUCTION OF ACCIDENTS**

**The size of the accident risk is measured through the frequency indices, examined by UNI 7249.**

**Scope:** IRSAP S.p.A. and IRROM Industrie.

The frequency indices provided for in that standard have as their numerator the accidents occurring in a year and as their denominator the hours worked in the same year. In order to make the result more readable, this ratio is then multiplied by 1,000,000 (one million). Between April and July 2023 there was a slowdown in production activities with rather intensive use of negative flexibility, holidays and leave. The decrease in attendance days led to a decrease in hours worked.

During 2022, 28 accidents occurred with a total of 472 days of absence. In 2023 there were 28 accidents with a total of 578 days of absence. The accident index increased from 16.83 to 18.5 compared to the previous reporting period.

The private commuting accident frequency index for 2023 is 17.8, up from the previous reporting period. Below is the table detailing the 2021-2023 accidents and the comparison of the frequency indices.

ACCIDENT FREQUENCY INDEX COMPARISON 2021-2023 - IRSAP S.P.A. AND IRROM S.R.L.

YEAR	NO. OF ACCIDENTS	DAYS OF TEMPORARY DISABILITY	FREQUENCY INDEX*
2021	27	867	15.72
2022	28	472	16.83
2023	28	578	18.54

\* No. accidents/hours x 1,000,000

During the year, there were no allegations of occupational diseases and mobbing for which IRSAP Group companies were held liable.

Group companies are committed to continuous training and specific information for their employees, repeatedly purchase accident prevention material and always require compliance with safety regulations for plant systems and equipment.

Finally, as described in the “Strategic Plan and Growth Drivers” section, a project related to safety improvement was activated. The project makes an important contribution towards achieving SDG 8. The project consists of increasing workplace safety and reducing the accident frequency index in the IRSAP Group. In the long term, the strategic objective is to increase the sensitivity of employees to risk assessment in the working environment.

# ENVIRONMENTAL- THEM

This section presents the environmental initiatives of the IRSAP Group's commercial branches.

## **BEMM GmbH (Germany)**

In addition to proper waste management in accordance with the provisions of the environmental certificates Zentec and Interseroh for the German and Austrian markets, BEMM published the sustainability declaration. Currently available in German as part of the BEMM price list, the declaration describes how steps towards greater environmental and social sustainability are being taken every year. Below are the most significant initiatives:

- in new projects to be launched and suppliers to be chosen, their standards of social and environmental behaviour are also assessed;
- gadgets and promotional gifts with reduced environmental impact are purchased for marketing campaigns;
- for events BEMM decided not to build new exhibition stands to be used only once and opted for the regeneration of fixed exhibition walls to be used at several events or for the use of the Mobile Info van;
- the new colour cards were distributed by regenerating the old ones thanks to the collaboration with a company of people with disabilities operating in the BEMM

area. In addition, salespeople are involved in collecting old colour cards and replacing new ones, resulting in reduced waste and increased customer awareness and cooperation. Customers welcomed the initiative;

- smart working was promoted to reduce emissions caused by car travel;
- some small handling work, such as the preparation of accessory boxes, is carried out by a company of people with disabilities working in the BEMM area.

## **IRSAP Uk Ltd - (UK)**

IRSAP UK also adheres to the IRSAP Group's principles of pro-social, environmental and cultural initiatives. Over the years, a waste management system has been developed and improved, separating industrial from non-industrial waste. Wooden pallets are recycled by licensed contractors according to the ISO 14001 environmental standard. All offices have recycling bins to separate plastic, paper and organic waste. All energy tariffs used by the company, both for gas and electricity, guarantee that the energy used comes entirely from renewable sources.

In addition, the company has LED lighting in all UK offices, which consumes less than 20% of the energy used by conventional bulbs.



# ED INITIATIVES

All company cars are plug-in hybrids or, in some cases, fully electric and the company has charging points for electric cars. Finally, smart working is encouraged, to reduce the number of personnel journeys.

#### **IRSAP Iberica S.L. (ES) and Irgroup S.a.r.l. (FR)**

The commercial branches in Spain and France, due to their organisational nature in terms of structure and personnel, are not able to develop actions with a broad impact like the previous branches.

However, they adhere to the environmental, social and cultural principles promoted by the Group. Both are involved on a daily basis in reducing paper and plastic consumption, encouraging every employee to pursue sustainability as an integral part of the Group's Vision.

# CULTURAL INITIATIVES

## **Open Factory**

IT IS the most important opening of industrial and manufacturing culture: an initiative, now in its ninth edition, that aims to open up a hundred companies to the general public, to tell their story, reveal their secrets and build a showcase to present Italian manufacturing skills. At a challenging time for the Italian economy, factories are the key element for the future of the country and a value for everyone. Against this backdrop, CEO, Marco Rossi illustrated IRSAP's 60 years from its origins to the present day by talking about sustainability and vision, home comfort, technology and design. More than 70 participants visited IRSAP, confirming the interest in this experience that serves to strengthen ties with communities and their employees.

## **Student Visits**

IRSAP has always collaborated with schools in the area and hosts students of all ages, from schools to universities. During visits to the IRSAP Museum, students can learn about the company's 60-year history and in our IRSAP Experience Showroom they can see our product range up close. Schools continue to choose IRSAP as part of the activities proposed for school orientation and the MIUR training programme for three reasons: IRSAP's relevance within the socio-economic fabric of the local area, the company's importance and reputation internationally, and IRSAP's focus on sustainability issues.

The partnership as a supporting member of the CUOA business school is a demonstration of how

much we believe in professional growth as a value to be pursued over time. During 2023, we hosted students from Canada and South America attending the Business Strategy and Marketing Management course at CUOA. This intensive full-time English-language course is divided into lectures and company visits in the realities of excellence of the Made in Italy. IRSAP in the logic of sustainable growth is proud to join these social responsibility initiatives.

## **Green Week**

On the occasion of Green Week, we welcomed some 30 PhD students from all over Italy on their trip to "green" factories promoted by ItalyPost. We told how IRSAP decided to put reliability, quality, individual well-being and respect for the environment first.

## **"It's not a job for Women"**

From Rovigo to Ecuador, strength and resilience in Chiara Negrello's images. We hosted freelance photographer and Canon Ambassador Chiara Negrello. During the meeting, we travelled together with Chiara, from Rovigo to Ecuador, through her shots, discovering realities far and near in which women have been the protagonists of stories and feats of resistance and adaptation.



# INTERNAL ACTIVITIES

## Initiatives and projects for employees and their families.

Since 2013, we have started the **Study Grant** initiative. The grant is awarded to students, children of IRSAP S.p.a. employees, who have achieved a minimum score of 80/100 in their eighth grade examinations, and a minimum score of 80/100 in their fifth high school or four-year vocational examinations. The grant takes the form of a “scholarship” of €300 for the third grade, €400 for the professional and €500 for the fifth grade.

Also since 2013, IRSAP S.p.a. has set up the **Contribution to Childhood** initiative for which an annual amount of EUR 200 is paid for each child, up to the age of five, to attend nursery school and kindergarten. We believe that these interventions represent the first step towards building a world that works on a human scale, attentive to the needs of employees in order to combine family care and life management needs with work requirements.

For the first time, IRSAP opened its doors to its employees' families for the first **IRSAP Family Day** in spring 2023: our employees had the opportunity to introduce IRSAP to their families during the day.

In 2023, IRROM Industrie organised a series of events for the company's employees, aimed at fostering a sense of belonging to the Group, collaboration and communication between colleagues.

A **trip to the lake** was organised in September, where employees had the opportunity to meet outside the workplace; 35 people participated.

A **football championship was held in October**. Six teams of 60 employees were formed and the employees played together with the department heads, department managers and the production manager. In December, a **Christmas party** was organised, where employees and their families awaited the delivery of gifts from Father Christmas to the little ones. 120 employees participated together with their families.

IRSAP Uk continues with the **Medicash** programme, through which employees can claim back money spent on medical expenses, including dental, optical, health, gym memberships and even shopping. Maternity and paternity leave was extended in 2023, ensuring that mothers in particular are financially assisted in times of greatest need. The company pension plan was improved for employees with more seniority, as well as introducing **Wellbeing Days**, for cases in which employees need time off other than sick leave and holidays.



**CHAPTER 4: OUR TEAM, SOCIAL,  
ENVIRONMENTAL AND CULTURAL POLICIES**



# THE IRSAP AFTER-WORK GROUP

Further projects and initiatives aimed at employees are promoted by the After-work group, a committee of eight internal volunteers from various areas of the company, which periodically meets to organise events for employees and their families.

Founded in 2002, the group is a forerunner of the latest team building format, in most cases reserved for executive managers. Over the years the initiatives were varied and numerous and always very successful: Old rugby tournament, fishing competitions, five-a-side football matches, trips to theme parks, organisation of the annual Christmas party involving all employees and their families.

For 2023, the “Children's Christmas” event took place with the delivery of Christmas presents to the children of our employees, who received the traditional gift delivered personally by Father Christmas.

For the year 2023, the After-work Group has chosen wooden and eco-friendly toys, increasing research and care for the environment even at this festive time.

The Children's Christmas was attended by 135 people, confirming the interest in this historic initiative. Meeting and sharing have always been the values that guide the group's activities.

## CHAPTER 4: OUR TEAM, SOCIAL, ENVIRONMENTAL AND CULTURAL POLICIES



# IRSAP FOUNDATION

IRSAP FOUNDATION ETS is the IRSAP Group Foundation, established on 24/03/2022 with IRSAP SPA founding members and the ROSSI and ZEN Families.

The Foundation, an expression of the decades-long social commitment of all its founders, promotes the integration of the most vulnerable groups, respect for environmental issues and the dissemination of culture.

IRSAP FOUNDATION ETS pursues, on a not-for-profit basis, civic, solidarity and socially useful purposes through the exercise, exclusively or principally, of activities of general interest within the meaning of Article 5 It. Legislative Decree 117/2017.

2023 was the first full year of activity. Voluntary associations in the area were chosen from among the many requests to intervene. They mainly deal with families in economic difficulty, with the inclusion of children with disabilities, with abused women, and with elderly and sick mobility services. These have been joined by public and private entities, including international ones because they are close to the IRSAP SPA group companies.

Contributions were made in favour of:

- **ADA Amici dell'Accademia Concordi** Rovigo, association that runs cultural projects supporting the education and involvement of new generations. The Foundation ensured the external preparation of Palazzo Nagliati.
- **Amici del Sorriso** Sant'Urbano PD, for the autonomy of people with disabilities. The foundation contributed to the realisation of the "autonomy" project with the interior fitting out of the premises.
- **Asociatia Filantropica Sfantul Onufrie** ROMANIA, an orphanage always helped by IRROM S.r.L.
- **ATISB Tuscan Hydrocephalus Spina Bifida Association** Florence, in support of Tuscan, partly Venetian and Umbrian families with children suffering from hydrocephalus and spina bifida; it organises conferences, consultations, autonomy training courses and has the most well-stocked and consulted scientific library on the subject in Italy. The foundation contributed to the renovation of the new headquarters.
- **Auser Livio Zen** of Arquà Polesine (RO), mobility services for the elderly and differently abled for medical examinations and admissions.
- **Bandiera Gialla** Rovigo, ODV Association for the collection and distribution of food and clothing to 900 families in need in Polesine. The Foundation supported the purchase of a fully equipped and air-conditioned van for transporting fruit and vegetables.
- **Caritas** Barcelona, the Foundation participated in fundraising for the needy in the area near IRSAP Iberica.
- **Casa albergo anziani** Lendinara RO, the Foundation supported the purchase of several anti-decubitus mattresses.
- **Comitato Palatucci** Rovigo, fundraising for the Paediatric Oncohaematology Clinic of Padua on the occasion of the 11th edition of "Music and words for solidarity".
- **Municipality of Arquà Polesine** (RO), the Foundation sponsors the Raise Prize, a poetry and prose competition in Venetian dialect that over the years has achieved wide acclaim also thanks to the participation of emigrants from Polesine around the world.
- **Municipality of Cesena**, fundraising to support the Emilia Romagna floods in May 2023.
- **Municipality of Crespino** (RO), aid for the Casa di Riposo San Gaetano.
- **From Earth to the Moon** Ferrara, assists autistic children and young adults. Our Foundation supports the "social farm" construction project. Completion is expected by 2025.
- **East Grinstead Foodbank** UNITED KINGDOM, food bank for people in need, near IRSAP UK.
- **Faedesfa** Fratta Polesine (RO), through multiple fundraisers, cares for disadvantaged children and people.
- **Fundacio Banco dels aliments** SPAIN, food bank for the needy close to IRSAP Iberica.
- **Hildesheimer Tafel E.V.** (GERMANY) the foundation supported the work of the food bank for families in need, especially Ukrainian refugees, in the BEMM G.m.b.h. area.
- **Lions for pet** Rovigo, service aid for young people suffering from mental disorders, emotional distress and social-environmental adjustment.
- **Lions District 108TA3** Rovigo, guide dog training project for the blind.
- **S. Andrew Parish** di Arquà Polesine (RO), activity support.
- **Peter Pan**, a Non-profit organisation in Rovigo that offers social, health, care and educational services to minors with disorders or in severe distress, as well as a rehabilitation project for perpetrators of violence against women. The Foundation supported the construction of a workshop house in Taglio di Po (RO) where young people begin a path of cohabitation and partial autonomy from their families, carrying out workshop activities.
- **Piano Piano - Amici di Elena - Osteria della gioia** Villanova del Ghebbo RO, independence project for young people and adults with disabilities through catering. The foundation supported the air-conditioning of the premises.
- **Pro Loco APS Arquà Polesine** (RO), the Foundation sponsored the ANDOS ONLUS "pink walk" for the fight against female cancer.
- **Radio Kolbe** Rovigo, lead association of the "Talking Statues" project, for the enhancement of monumental heritage through a multimedia experience. The project involves a QR code to be activated on the Rovigo statues of Garibaldi, Miani and Matteotti.
- **Rainy Day Trust** UNITED KINGDOM, a charity supporting people in need who have worked in home improvement. The association is close to IRSAP UK.
- **Rhodigium Basket** Rovigo Baskin project for inclusion of disadvantaged children and youth project for healthy psycho-physical development.
- **Robert Hollman** Padua, a foundation that carries out numerous activities, including neuropsychological assessments, autonomy, orientation and mobility for blind and visually impaired children. IRSAP Foundation supports the "sensoriabile anch'io" project.
- **Rotary District 2060**, project for the construction of a functional ergonomic kitchen for post-surgery rehabilitation, at the Rovigo Treatment Centre.
- **Sant Joan De Déu** SPAIN, the foundation supported hospital activity near IRSAP Iberica.
- **Santa Lucia Basket in a wheelchair** Rome, offers young people with disabilities the opportunity to play sports for full social inclusion. The foundation contributed to the purchase of sports equipment.
- **St' Catherine Hospice** UNITED KINGDOM, supporting the work of the West Sussex nursing home close to IRSAP UK.

In many of these projects, the foundation's intervention is ongoing with the aim of completing the project objectives. There remains a willingness to examine new projects over several years in order to develop lasting interventions for the benefit of the communities involved.

In the first months of 2024, contributions were finalised for projects accepted and started in 2022, which were highlighted in the previous edition of the Report.

# **OUR MEMBERSHIPS OF ASSOCIATIONS, BODIES AND NON-PROFIT ORGANISATIONS IN 2023**

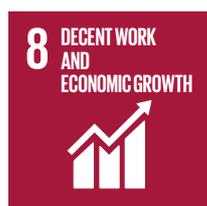
<b>IRSAP</b>		
<b>ASSOCIATIONS, BODIES AND NON-PROFIT ORGANISATIONS</b>	<b>HEADQUARTERS</b>	<b>PROJECT</b>
Arquà Polesine - Vourles Twinning Committee	Arquà Polesine	Funding Twinning Activities
Municipality of Rovigo	Rovigo	Contribution Theatre Season 2023/2024
RUGBY ROVIGO DELTA SRL	Rovigo	Aldo Milani Tournament Contribution
I veci del regby	Rovigo	Contribution to promotional activities year 2023
APS Musicians and Flag-wavers Arquatesi	Arquà Polesine	Sponsorship of trade fair events
IRSAP Foundation	Arquà Polesine	Activity contribution

## IRSAP FOUNDATION ETS

ASSOCIATIONS, BODIES AND NON-PROFIT ORGANISATIONS	HEADQUARTERS	PROJECT
Ada amici accademia concordi	Rovigo	Palazzo nagliati external equipment
Amici del sorriso	Padua	Autonomy for the disabled
Asociația filantropică sfatul onufie	Romania	Orphanage
Tuscan hydrocephalus-spina bifida association	Florence	New headquarters
Auser	Arquà Polesine	Elderly-disabled mobility
Bandiera gialla	Rovigo	Foodbank food transport van.
Caritas	Barcelona	Fundraising
Casa albergo anziani	Lendinara	Anti-decubitus mattresses
Palatucci Committee	Rovigo	Fundraising in paediatric oncohaematology -pd
Municipality of Arquà Polesine	Arquà Polesine	Raise Poetry and Prose Award
Cesena Municipality	Cesena	Flood support
Municipality of Crespino	Crespino	Purchase of a TV in an old people's home
From earth to the moon	Ferrara	Autistic social farm
East Grinstead foodbank	East Grinstead-uk	Foodbank
Faedesfa	Fratta Polesine	Inclusion of children with disabilities
Fundacio banc dels aliments	Barcelona-Es	Foodbank for the needy
Hildesheimer tafel	Hildesheimer-De	Ukrainian refugees
Lions for pets	Rovigo	Assistance for disadvantaged children
Lions District 108 TA3	Rovigo	Blind guide dogs
S. Andrew Parish	Arquà Polesine	Activity support
Peter Pan	Rovigo	Inclusion of disabled children
Piano piano amici Elena Osteria Gioia	Villanova del Ghebbo	Disabled restaurant air-conditioning system
Pro loco Arquà Polesine	Arquà Polesine	Andos women's cancer collection
Radio Kolbe	Rovigo	Talking Statues
Rainy day trust	Bromsgrove -uk	Support for the disadvantaged
Rhodigium basket	Rovigo	Baskin youth project
Robert Hollman	Padua	Sensoriabile anch'io visually impaired - blind
Rotary District 2060	Badia Polesine	Ergonomic kitchen nursing home Rovigo
Sant Joan de deu	Barcelona-Es	Hospital
Santa Lucia wheelchair basketball	Rome	Sports wheelchair
St Catherine hospice	West Sussex-Uk	Structure to support the disadvantaged

# GRI TABLE OF CONTENTS

Statement of use	<b>IRSAP GROUP</b> reported the information mentioned in this GRI content index for the period 01 January 2023 - 31 December 2023 with reference to GRI Standards			
Used GRI 1	GRI 1: basic principles version 2021			
GRI STANDARD	DISCLOSURE	PAGE	OMISSIONS AND DESCRIPTIONS	SDG
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	GRI 2-1   Organisation details	8, 14, 48		
	GRI 2-2   Subjects included in the organisation's sustainability reporting	8, 14, 47, 58, 66, 70, 74, 81, 102		
	GRI 2-3   Reporting period, frequency and contact point	8-9		
	GRI 2-4   Review of information	8-9, 43, 60, 67, 69, 70-71		
	GRI 2-5   External Assurance	9		
	GRI 2-6 a, b, d   Activities, value chain and other business relationships	33-35, 48-49, 88-89, 92, 96-100, Tech. Ind.*		
	GRI 2-7   Employees	84		
	GRI 2-9 a, c   Governance structure and composition	48-53		
	GRI 2-10 a   Appointment and selection of the highest governance body	48-53		
	GRI 2-11   Chairman of the highest governing body	48-53		
	GRI 2-12 a, b   Role of the highest governance body in overseeing impact management	33-35, 48-53		
	GRI 2-13   Delegation of responsibility for impact management	33-35, 42-43, 48-53		
	GRI 2-14   Role of the highest governance body in sustainability reporting	33-35, 42-43, 48-53		
	GRI 2-16   Communication on critical issues	Tech. Ind.*		
	GRI 2-17   Collective knowledge of the highest governance body	33-35, 42-43		
	GRI 2-18 a, c   Performance evaluation of the highest governance body	Tech. Ind.*		
	GRI 2-22   Sustainable development strategy declaration	5, 33-35		
	GRI 2-23 a. i.   Policy commitment	90-91		
	GRI 2-25   Processes to remedy negative impacts	Tech. Ind.*		
	GRI 2-26 a. ii.   Mechanisms for requesting clarification and raising concerns	Tech. Ind.*		
	GRI 2-29   Approach to stakeholder engagement	38-41		
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GRI STANDARD	DISCLOSURE	PAGE	OMISSIONS AND DESCR.	SDG
<b>GRI 3: MATERIAL TOPICS</b>				
	GRI 3-1   Process for determining Material Issues	33-35, 38-41, 47, 58, 80-81,		
	GRI 3-2   List of Material Issues	40 - 41		
	GRI 3-3 a, c   Product quality and safety	22-23, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Customer relations and customer satisfaction	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Long-term economic and financial balance	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Employee health and safety	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Conducting an ethical business	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Product and process innovation	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Sustainable energy and use of renewable sources	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Waste and production waste management	33-35, 42-43 Tech. Ind.*		
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	GRI 3-3 a, c   Responsibilities towards employees	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Employer branding - talent retention	33-35, 42-43 Tech. Ind.*		
	GRI 3-3 a, c   Economic support to local communities and CSR policies	35, 106-115 Tech. Ind.*		
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<b>GRI 300 ENVIRONMENTAL ISSUES (2016)</b>				
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	GRI 302-3   Energy intensity	66-71		7,8,12, 13
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Emissions	GRI 305-1   Direct GHG emissions (Scope 1)	66-71		12,13,14, 15,3
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	GRI 403-2   Hazard identification, risk assessment and accident investigation	98-103		8
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	GRI 403-6   Promotion of workers' health	98-103		3
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Diversity and equal opportunities	GRI 405-1   Diversity in governance bodies and among employees	48-49, 84-89		5,8
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\* The Technical Index is available at: <https://www.irsap.com/it/support-it/categorie/63-policies-and-documents>



# TECHNICAL INDEX INSIGHTS GLOBAL REPORTING INITIATIVE (GRI)

This section provides in-depth information on the **GRI 2 – GENERAL INFORMATION and GRI 3 – MATERIAL ISSUES**. This annex “**GRI Technical Index**” is an integral part of the Sustainability Report 2023.

As stated in the paragraph “Reference Standards” on page 9 of the Sustainability Report 2023, references to GRI disclosures are given within the technical index represented as **[GRI no. disclosure]**.

# GRI 2 GENERAL INFORMATION

GRI 2-1 | Organisation details

GRI 2-2 | Subjects included in the organisation's sustainability reporting

GRI 2-3 | Reporting period, frequency and contact point

GRI 2-4 | Review of information

GRI 2-5 | External Assurance

GRI 2-6 | Activities, value chain and other business relationships

GRI 2-7 | Employees

GRI 2-12 | Role of the highest governance body in overseeing impact management

GRI 2-13 | Delegation of responsibility for impact management

GRI 2-14 | Role of the highest governance body in sustainability reporting

GRI 2-16 | Communication on critical issues

GRI 2-17 | Collective knowledge of the highest governance body

GRI 2-18 | Performance evaluation of the highest governance body

GRI 2-25 | Processes to remedy negative impacts

GRI 2-26 | Mechanisms for requesting clarification and raising concerns

GRI 2-29 | Approach to stakeholder engagement

GRI 2-30 | Collective labour agreements

# GRI: 2-1 IRSAP GROUP ORGANISATION DETAILS

**[GRI 2-1a]** IRSAP S.p.a, is sometimes referred to in communications as the “IRSAP Group”, consisting of the parent company IRSAP S.p.a. and the companies IRROM Industrie S.r.l. (ROMANIA), Irsap Iberica S.L. (SPAIN), Irgroup S.a.r.l. (FRANCE), Irsap UK Ltd (UNITED KINGDOM) and BEMM GmbH (GERMANY).

**[GRI 2-1b]** It is a public limited company with a single shareholder. The shares are registered in trust at Società per Amministrazioni Fiduciarie - SPAFID S.p.A., Gruppo Bancario Mediobanca, Foro Buonaparte 10, 20121 Milan.

**[GRI 2-1c]** IRSAP S.p.A. has its registered office in Via delle Industrie, 211 - 45031 Arquà Polesine (RO) Italy.

**[GRI 2-1d]** ] The IRSAP Group operates mainly in Europe, as reported in the Annual Consolidated Financial Statements.

# GRI: 2-2 SUBJECTS INCLUDED IN THE IRSAP GROUP'S SUSTAINABILITY REPORTING

**[GRI 2-2a]** The Sustainability Report, unless otherwise specified, presents data and information referring to the IRSAP Group, specifically: IRSAP S.p.a., IRROM Industrie S.r.l. (ROMANIA), Irsap Iberica S.L. (SPAIN), Irgroup S.a.r.l. (FRANCE), Irsap UK Ltd (UNITED KINGDOM) and BEMM GmbH (GERMANY).

**[GRI 2-2b]** In the Sustainability Report 2023, environmental performance data are presented excluding trading subsidiaries: Irsap Iberica S.L. (SPAIN), Irgroup S.a.r.l. (FRANCE), Irsap UK Ltd (UNITED KINGDOM) and BEMM GmbH (GERMANY).

**[GRI 2-2c.i]** The Sustainability Report presents the data and information referring to IRSAP and its subsidiaries and consolidated companies as of 31 December 2023, as presented in the Consolidated Financial Statements. The Consolidated Financial Statements as at 31 December 2023 of the IRSAP Group have been prepared in accordance with the recognition and measurement criteria of Italian GAAP, as well as the laws and regulations in force in Italy.

**[GRI 2-2c.ii]** Not applicable.

**[GRI 2-2c.iii]** Environmental performance data are presented excluding companies reported in [GRI 2-2b] that do not meet the relevance criteria. The list of material issues of economic, environmental and social impact is derived from the full scope of the IRSAP Group. The companies Macro Energy S.r.l., Inproject S.r.l., Larus Solar S.r.l. and Energia 304 S.r.l., companies under Italian law dedicated to the production of electricity through photovoltaic parks included in the previous reporting period, are to be considered outside the scope of consolidation since, effective 1 January 2023, they were sold.

# GRI: 2-3 REPORTING PERIOD, FREQUENCY AND CONTACT POINT

**[GRI 2-3a]** The IRSAP Group's Sustainability Report, prepared annually, follows the same periodicity as the Group's Consolidated Financial Statements.

**[GRI 2-3b]** The Group's Consolidated Financial Statements, like the Sustainability Report, cover the period from 1 January 2023 to 31 December 2023.

**[GRI 2-3c]** The Sustainability Report 2023 is published following its approval by the Board of Directors of IRSAP S.p.a. on 29 May 2024, at the same time as the Consolidated Financial Statements.

**[GRI 2-3d]** The contact details are: IRSAP, Via delle Industrie, 211, 45031 Arquà Polesine (RO) Italy.

Tel: +39 0425 466611

e-mail address: [sostenibilita@irsap.com](mailto:sostenibilita@irsap.com)

website: [www.irsap.com](http://www.irsap.com)

## GRI: 2-4 REVIEW OF INFORMATION

**[GRI 2-4a.i]** The following information has been updated:

- (a) The reporting boundary of environmental data: the companies Macro Energy S.r.l., Inproject S.r.l., Larus Solar S.r.l. and Energia 304 S.r.l., companies under Italian law dedicated to the production of electricity through photovoltaic parks included in the previous reporting period, are to be considered outside the scope of consolidation since, effective 1 January 2023, they were sold. The environmental data of these companies with an end date of 31.12.2022 have been reported (see CO<sub>2</sub> table saved on page 69 of the Sustainability Report 2023).
- (b) In 2023, the way suppliers are identified was remodelled using a three-level classification. This entails a reorganisation of the categories disclosed in previous reports. In 2023, the IRSAP Group's supply chain has 318 suppliers classified under this methodology. This methodology does not represent the total number of the Group's suppliers as some categories were excluded because they were not relevant for measuring impacts (e.g. occasional suppliers, service suppliers, etc.).
- (c) For company vehicles, emissions accounting has improved and GHGs have been reported in a more timely manner. With the 2024 reporting data, emissions of pollutants will be accounted for on the basis of purchased volumes of fuel per individual vehicle and no longer on the basis of kilometres driven per vehicle. In order to provide a comparable figure for this method of accounting, a table of CO<sub>2</sub>eq emissions from fuel consumption was included. For the conversion to CO<sub>2</sub>eq, the 100-year GWPs of the 5th IPCC Report for 2020-2022 and the 6th IPCC Report for 2023 were used.

**[GRI 2-4a.ii]** The divestment of the photovoltaic companies described in (a) led to the decrease in CO<sub>2</sub> saved. The new presentation mode for point (b) has the effect of improving the meaningfulness of the information entered and better representing the impacts of the supply chain. The improved accounting of car fleet emissions described in (c) led to the recalculation of emissions from 2020 to 2023 showing a nearly stationary situation. Using the calculation methodology from previous reporting periods, it can be seen that, due to the increase in kilometres travelled, the figure is worse in 2023 than in 2022, with a delta of 24,160 kg of CO<sub>2</sub> equivalent. There were no other significant changes in the information reported in the years 2021 and 2022.

# GRI: 2-5 EXTERNAL ASSURANCE

**[GRI 2-5a]** No review by external independent professionals is planned for this Report.

**[GRI 2-5b]** Not Applicable.

# GRI: 2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

**[GRI 2-6a]** Group information is described in the Sustainability Report 2023 under the section “IRSAP IN THE WORLD” in Chapter 1 “THE GROUP”. More information can be found at <https://www.irsap.com/it/company/grup-po-corporate>. Core business sector (ATECO252100) Manufacture of heating radiators.

**[GRI 2-6b.i]** Information concerning the activities, products, services and markets served is described in the Sustainability Report 2023 in the sections “IRSAP IN THE WORLD” and “OUR BUSINESS UNITS” in chapter 1 “THE GROUP”. More information is available at <https://www.irsap.com/it/>

**[GRI 2-6b.ii]** The IRSAP Group's purchases take place mainly in the two geographical areas where the Group's main activities are based, Italy and Romania. In 2022, the IRSAP Group's supply chain has 318 suppliers classified into three levels. Local suppliers, at IRSAP Group level, account for 74% of the total suppliers assessed. Suppliers located in the same geographical areas as the individual Group companies are considered local. At Group level, purchases, i.e. items B6-B7 in the 2023 consolidated financial statements, amount to a total of EUR 91.5 million. For further details, please refer to the information described in the section “The characteristics of the supply chain” in Chapter 3 “Environmental and supply chain sustainability”.

**[GRI 2-6b.iii]** IRSAP supplies its products mainly to distributors, via B2B channels, who market them for purchase by consumer end-users. The IRSAP Group also produces products on behalf of other manufacturers and under their brand names.

**[GRI 2-6d]** The processing of data concerning the number of suppliers was revised, see Disclosure [GRI 2-4].

# GRI: 2-7 EMPLOYEES

**[GRI 2-7a, 2-7b.i, b.ii]** Information regarding employees is described in the Sustainability Report 2023 under the section “IRSAP GROUP EMPLOYEES” in chapter 4 “OUR TEAM, SOCIAL, ENVIRONMENTAL AND CULTURAL POLICIES”. The information represented is:

- Total number of employees by gender and geographical area in the IRSAP Group
- Total number of employees by type of employment contract and gender in the IRSAP Group.

**[2-7b.iii]** There are no employees with intermittent work contracts in the Group.

**[GRI 2-7 b.iv, b.v]** Information regarding employees is described in the Sustainability Report 2023 under the section “IRSAP GROUP EMPLOYEES” in chapter 4 “OUR TEAM, SOCIAL, ENVIRONMENTAL AND CULTURAL POLICIES”. The information represented is:

- Total number of employees by working time regime, gender and geographical area in the IRSAP Group.

The breakdown by time regime and geographical area is available from 2022; female employees in 2021 with full-time contracts numbered 254 and with part-time contracts numbered 39, male employees in 2021 with full-time contracts numbered 853 and with part-time contracts numbered 13.

**[2-7c]** The survey was conducted by extrapolating data from the IRSAP Group's personnel administration systems. The data of the Group's Intercompanies are provided directly by the companies themselves. The data are expressed:

- In whole heads calculated for each contract type with respect to the number of heads present at the end of each reporting period.
- With the Full Time Equivalent (FTE) methodology, data are expressed in whole heads calculated apportioned for each type of contract with respect to the number of heads present at the end of each reporting period. For example, an employee with a 50% part-time employment contract was calculated as 0.50 and not 1.

**[GRI 2-7d]** The data shown refer to the whole heads present at 31 December 2023 in the IRSAP Group companies, broken down by type (by gender, type of contract, type of hours, territorial breakdown). The data shown refer, where reported, to Full Time Equivalent (FTE) as of 31 December 2023 in IRSAP Group companies, broken down by type (by gender, type of contract, type of hours, territorial breakdown).

**[GRI 2-7e]** Compared to the existing workforce as at 31 December 2022 (1118 heads), there was a decrease of 66 heads in total. In 2023, a decrease in the number of personnel mainly employed at the production plants was observed. In IRRROM, where the largest decrease is observed, employment is essentially linked to a high turnover of people, also reported in previous years.

# GRI: 2-12 ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING IMPACT MANAGEMENT

**[GRI 2-12a]** Approval and updating of the organisation's purpose, value or mission statements, strategies, policies and objectives relating to sustainable development: the Board of Directors, before approving, plays a role of strategic direction and oversight, pursuing the priority objective of value creation over the medium to long term, taking into account the legitimate interests of stakeholders, with a view to the sustainable success of the company. The sustainability specialist, in terms of environmental, social and governance (ESG) sustainability, in terms of positioning, objectives, processes, specific initiatives of IRSAP Italia and the Group, has advisory, propositional and monitoring tasks, to support and guide management activities. The sustainability specialist reports to the human resources department.

**[GRI 2-12b]** The Board of Directors, also with the help of the sustainability specialist, assesses the ESG oversight, defines the materiality/impact matrix, and monitors the initiatives and progression of the ESG Plan according to the Group's strategic plan.

# GRI: 2-13 DELEGATION OF RESPONSIBILITY FOR IMPACT MANAGEMENT

**[GRI 2-13a.i]** Responsibility for the overall governance of the Company and the Group is assigned to the Managing Directors, subject to the prerogatives reserved to the Board of Directors. The Managing Directors in relation to sustainability impacts make use of the figure of the sustainability specialist, who collaborates transversally for the supervision of sustainability issues with the HSE Function and the Human Resources Function. The functions that manage the organisation's impacts on the economy, the environment and people are: Technical Department, Hse Function, Human Resources, Operation, Purchasing, etc.

**[GRI 2-13a.ii]** The Board of Directors has delegated the responsibility for managing health, safety and environmental impacts to the Heads of HSE, Operation and Technical Department.

**[GRI 2-13b]** The Function Managers, during dedicated meetings, report monthly to the Managing Directors on the progress and status of the company's projects. On some occasions, reports on the progression of relevant projects are given directly by the employees of the Function Managers.

# **GRI: 2-14 ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING**

**[GRI 2-14a]** The Board of Directors annually approves the Sustainability Report based on the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). The directors reviewed, verified and approved the 2023 materiality matrix and material issues, which formed the basis for the 2023 reporting.

**[GRI 2-14b]** Not applicable

# **GRI: 2-16 COMMUNICATION ON CRITICAL ISSUES**

**[GRI 2-16a]** The Board of Directors and the Board of Statutory Auditors of IRSAP S.p.A. are periodically informed of the Supervisory Board activities – including whistleblowing reports - by means of a summary report.

**[GRI 2-16b]** In 2023, a report was received at IRSAP S.p.a. concerning the state of cleanliness and maintenance of a plant that was close to being decommissioned. As a result of the investigations involving all the company functions concerned, the report was closed by reminding the responsible figures to always request the intervention of the maintenance function in a timely manner, even in the case of plants close to leaving the production line.

# **GRI: 2-17 COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNING BODY**

**[GRI 2-17a]** In 2023, the sustainability specialist reported to the Directors, the Human Resources Director and the Hse Manager for their respective projects. Projects related to sustainable development and subsequent updates, where appropriate, were presented during meetings between Directors and Function Managers. From 2023, following the new strategic plan, detailed projects have been initiated, for further details please refer to the section “ESG PLAN PEOPLE & SUSTAINABILITY” in chapter 1 “THE GROUP”. Project teams report regularly on the progress of projects to the Directors and Function Managers.

# GRI: 2-18 PERFORMANCE EVALUATION OF THE HIGHEST GOVERNANCE BODY

**[GRI 2-18c]** Based on the evidence, the Board of Directors identifies specific initiatives. By way of example, the new multi-year strategic plan was created, as already mentioned. For further details, please refer to the sections “STRATEGIC PLAN AND GROWTH DRIVERS” and “ESG PLAN PEOPLE & SUSTAINABILITY” in Chapter 1 “THE GROUP”.

# GRI: 2-25 PROCESSES TO REMEDY NEGATIVE IMPACTS

**[GRI 2-25a, b, c, d, e]** IRSAP S.p.a. provides reporting channels other than the whistleblowing channel. The main ones, divided by scope, are described below:

## **HEALTH, SAFETY AND ENVIRONMENT:**

a) internal monitoring channel, accessible to each department manager via special software, for the Health, Safety and Environment component, combined with the analogue reporting channel by filling in the appropriate form DS04. If critical issues/non-conformities are highlighted, the HSE Manager and Health and Safety Officer assess and initiate resolutions as soon as possible, in consultation with the relevant area managers. The results of the surveillance and monitoring activities performed, together with all other required records, are discussed in the periodic review under Art. 35, also with a view to defining and undertaking any new improvement programmes.

## **COMPUTER SECURITY:**

(b) reporting channel for spam mails accessible through employees' mailboxes;

## **CUSTOMER CARE:**

c) a reporting channel was set up for all customers via three dedicated addresses: support.heat@irsap.com for IRSAP Heat business unit products, support.smart@irsap.com for IRSAP Smart business unit products and support.air@irsap.com for IRSAP AIR business unit products. Depending on the subject of the request, the appropriate internal channel is activated to provide feedback, assistance or to forward any reports received.

# GRI: 2-26 MECHANISMS FOR REQUESTING CLARIFICATION AND RAISING CONCERNS

**[GRI 2-26a.ii]** IRSAP has adapted to the provisions of It.Legislative Decree no. 24/2023 and EU Directive 2019/1937 by adopting a new whistleblowing procedure that has led, among other things, to the setting up of an internet portal dedicated to whistleblowing reports <https://irsap.segnalazioni.net/>, which offers all the guarantees of confidentiality and protection of the whistleblower required by the legislation.

# GRI: 2-29 APPROACH TO STAKEHOLDER ENGAGEMENT

**[GRI 2-29a.i]** In 2023, the IRSAP Group identified main stakeholder categories with each of which different ways of engagement were employed:

1. IRSAP Employees
2. Professional Chain
3. End users
4. Suppliers
5. Trade Unions
6. Future generations
7. Community and society
8. Lenders
9. Political institutions and associations

The list of Stakeholders, details of which can be found on page 39 of the Sustainability Report 2023, was drawn up following the guidelines of the ISO 26000 standard.

**[GRI 2-29a.ii]** Stakeholder engagement is a key element of the Group's sustainability strategy. Developing and maintaining a constant and solid relationship with all stakeholders through a relationship based on continuous dialogue and active involvement is an expression of the responsibility that the Group has towards the social context with which it interacts. Stakeholders represent a wide range of heterogeneous interests: creating and maintaining stable and lasting relationships is crucial in order to pursue the goal of creating long-term shared value.

**[GRI 2-29a.iii]** The main ways in which stakeholders are engaged are through the interaction channels listed on page 39 of the sustainability report. In addition, the involvement of IRSAP employees is ensured through periodic surveys to check satisfaction with training activities. In 2023, for the second consecutive year, suppliers were involved in filling out an ESG questionnaire dedicated to their sustainability performance, for further details see the description on page 63 of the Sustainability Report 2023.

The survey to identify material issues and measure their impacts involved all middle and top management as well as the IRSAP Group's professional chain.

# **GRI: 2-30 COLLECTIVE LABOUR AGREEMENTS**

**[GRI 2-30a]** All, therefore 100%, of IRSAP Group employees are covered by collective bargaining agreements. All workers are covered by collective bargaining agreements between the employer and trade unions: all personnel are guaranteed the opportunity to take part in trade union assemblies, benefiting from hours of paid leave and company spaces and tools to ensure that they are held. Free participation in consultations for the election of trade union representatives is guaranteed and encouraged. In none of the IRSAP Group's operations is the right to trade union participation jeopardised or questioned. For the employees of BEMM GmbH and Irsap UK Ltd, the employment relationship is governed by specific national laws rather than collective agreements.

**[GRI 2-30b]** The relevant collective bargaining agreement and national laws as specified in [GRI 2-30a] apply to all employees.

# GRI 3

# MATERIAL ISSUES

## GRI 3-3 A, C | MANAGEMENT OF MATERIAL ISSUES

### PRODUCT QUALITY AND SAFETY

**[GRI 3-3a]** IRSAP S.p.a. can generate a real positive impact in terms of the quality and safety of its products.

**[GRI 3-3c]** Commitments and achievements related to product quality and safety are described on pages 22 and 23 of the Sustainability Report 2023. Furthermore, the challenging target of achieving a maximum of 100 production complaints per 100,000 units produced continues to be pursued and monitored.

### CUSTOMER RELATIONS AND CUSTOMER SATISFACTION

**[GRI 3-3a]** The materiality analysis and listening to our customers revealed that IRSAP's main impact with respect to this issue is potential and positive. Customer relations and customer satisfaction are for IRSAP S.p.a. the key factor for long-term success.

**[GRI 3-3c]** All customers have different channels to communicate with IRSAP S.p.a. 50 External colleagues as direct employees and over 100 within IRSAP Sp.a. work daily for "Customer Care". Operationally this happens:

- with targeted training for designers, architects, installers and showroom operators;
- with a website and general up-to-date and interactive communication with stakeholders;
- through increasing attention to physical locations, especially the showroom, where users can see and touch the products.

In 2023, IRSAP was selected by Zendesk for the high degree of integration with which it uses the platform in the area of customer service, to which it offers a multilingual and multi-channel service, on a par with the world's Top Players.

### LONG-TERM ECONOMIC AND FINANCIAL BALANCE

**[GRI 3-3a]** The materiality analysis and listening to our customers and employees revealed that IRSAP's main impact with respect to this issue is effective and positive.

**[GRI 3-3c]** The outcome of the commitments on this issue is embodied in the progression of targets to be achieved by 2026: The path towards achieving a total of EUR 75 million EBITDA in the five-year period 2022-2026 has seen a progression of 46% since the year the measurement began (2022). The ratio of net financial position to EBITDA remained below the limit in 2023.

## **EMPLOYEE HEALTH AND SAFETY**

**[GRI 3-3a]** IRSAP s.p.a. can generate an impact on the health and safety of its employees (accidents and injuries) and their well-being.

**[GRI 3-3c]** IRSAP S.p.a. has always been committed to ensuring a healthy and safe working environment by prioritising the safety and health of employees in the performance of their duties and activities. IRSAP S.p.A., in order to comply punctually with the provisions of the law and at the same time to protect the health and safety of its workers, has provided for the creation and implementation of the company's health and safety management system, under which procedures are structured to prevent offences in the field of prevention of accidents and occupational diseases. IRSAP S.p.a. carries out a comprehensive and documented risk assessment for the health and safety of workers within the organisation in which they work, with the aim of identifying appropriate prevention and protection measures and drawing up the programme of measures considered appropriate to ensure the improvement of safety levels over time. Finally, an employee safety project was initiated in 2023, which analyses improvement activities to be implemented by means of spot interviews. The collection of this information will enable IRSAP to work on both formal and perceived safety.

## **CONDUCTING AN ETHICAL BUSINESS**

**[GRI 3-3a]** The materiality analysis and listening to our customers and employees revealed that IRSAP's main impact with regard to conducting an ethical business is potential and positive.

**[GRI 3-3c]** Commitments to conduct an ethical business are realised through the drafting of policies, supplier code of conduct and ESG rating assessments. Our continued commitment to governance was recognised in 2023 by the Ecovadis platform, of which we will continue to be a member. In 2023, IRSAP achieved the Ecovadis Bronze medal for the first time with a score of 53/100, placing it at the 56th percentile, i.e., scoring 56% higher than the reference benchmark. Also for 2024, IRSAP will approach the assessment with a commitment to improve its score by demonstrating the robustness of its ESG progress and goals. As of 2023, IRSAP has opened the Board of Directors to an independent member in order to support strategic development and bring value to the discussions on the development guidelines for the coming years.

## **PRODUCT AND PROCESS INNOVATION**

**[GRI 3-3a]** The materiality analysis and listening to our customers and employees revealed that IRSAP's main impact with regard to product and process is potential and positive.

**[GRI 3-3c]** Innovation is our goal and our future. This can only be achieved through constant investments in research and development and complex, technologically advanced structures. Process innovation is ensured by the multi-year investment plan for the period 2021-2026. Thanks to the collaboration with the Milan Polytechnic University, IRSAP built the second test chamber for its products (see page 29 of the Sustainability Report 2023 for more details). The innovation and design of IRSAP's products are certified by a large number of awards in the international design and advanced technology research scene (see pages 54 and 55 of the Sustainability Report 2023 for more details).

## **SUSTAINABLE ENERGY AND USE OF RENEWABLE SOURCES**

**[GRI 3-3a]** IRSAP s.p.a. generates an impact in relation to the use of sustainable energy and the use of renewable sources.

**[GRI 3-3c]** With the aim of reducing energy consumption, gas consumption and CO<sub>2</sub> emissions, the programme to curb energy demand initiated in 2022 continues. In 2023, four new production lines were added to the IRSAP plants to replace the previous ones in order to implement technological innovations that also lead to production and energy efficiency. The new fibre laser centres started up in the second half of 2023 show lower consumption in terms of relative energy, thus in relation to volume. At the IRRROM plants in 2023, a diversification in the cooling of the production lines between buildings 1 and 2 took place; now both buildings have differentiated cooling systems instead of a single system. The investments led to the installation of a new compressor with inverter and a centralised compressed air line management and optimisation system. The energy savings observed during 2023 are in the order of 60,000 kWh.

## **WASTE AND PRODUCTION WASTE MANAGEMENT**

**[GRI 3-3a]** IRSAP s.p.a. can generate an impact on waste and production waste management.

**[GRI 3-3c]** IRSAP S.p.a.'s environmental policy, published on <https://www.irsap.com/it/company/sostenibilita-corporate> provides for the organisation's Environmental Management System to focus on environmental aspects with the aim of paying constant attention to reducing its environmental impact, also with regard to waste management. Further details can be found on pages 74 and 75 of the Sustainability Report 2023.

## **CIRCULAR ECONOMY**

**[GRI 3-3a]** IRSAP s.p.a. can generate an impact on processes and products from a circular economy perspective.

**[GRI 3-3c]** IRSAP S.p.a.'s environmental policy, published on <https://www.irsap.com/it/company/sostenibilita-corporate> provides for the organisation's Environmental Management System to focus on the truly relevant environmental aspects among which spreading the circular economy. In 2023, following strategic planning, a scouting and research activity was initiated to identify new materials and processes to improve IRSAP's degree of circularity. With regard to packaging, some packaging components were replaced with recyclable and recycled materials with the aim of continuing to reduce environmental impact through the implementation of new circular economy processes.

## **PROTECTION OF AREAS ADJACENT TO PRODUCTION SITES**

**[GRI 3-3a]** IRSAP s.p.a. may generate an impact with respect to the protection of areas adjacent to production sites. Both IRSAP S.p.a. and IRRROM S.r.l. are not located in the vicinity of environmentally protected areas or adjacent to areas of high biodiversity or hosting protected species.

**[GRI 3-3c]** Implementing the environmental management system required by the ISO 14001 standard makes it possible to control environmental impacts and protect the environment in neighbouring areas. In early 2023, IRSAP Sp.a. obtained the ISO 14001 certification. The Management System is implemented in such a way as to be consistent with the organisation and focused on the truly relevant environmental aspects. Further details can be found on page 65 of the Sustainability Report 2023.

## **RESPONSIBILITIES TOWARDS EMPLOYEES**

**[GRI 3-3a]** IRSAP s.p.a. in exercising its responsibility towards its employees, can generate an impact on the development of its people's professional skills and growth as well as on their well-being.

**[GRI 3-3c]** Training hours and future targets are reported on pages 42-43 and 84 of the Sustainability Report 2023, respectively. Among employee benefits, the primary importance is given to the corporate welfare plan, which provides access to numerous services with the aim of promoting wellbeing in the workplace and improving the corporate climate, fostering an increase in performance (for more details see page 92 of the Sustainability Report 2023). Other activities in favour of IRSAP S.p.a. employees are internal activities such as the study contribution and the child contribution (pages 108-111 of the Sustainability Report 2023).

## **EMPLOYER BRANDING - TALENT RETENTION**

**[GRI 3-3a]** IRSAP S.p.a. with recruitment, onboarding and engagement activities can generate positive impacts in terms of employer branding and talent retention.

**[GRI 3-3c]** During 2023, a project was launched to identify and create growth and development plans for all IRSAP people. The corporate climate has an impact on the well-being of employees: a positive working climate fosters employee involvement, motivation and a sense of belonging. During 2023, IRSAP chose to offer an internal company climate analysis, to continue the IRSAP Mentor training project and to create a project in favour of gender equality, more details can be found on pages 86 to 89 of the Sustainability Report 2023. All IRSAP S.p.a. employees are given the opportunity to participate in various volunteer groups such as iGreen, whose activities are described on page 77 of the Sustainability Report 2023, and After-work Group, whose activities are described on page 111 of the Sustainability Report 2023.

## **ECONOMIC SUPPORT TO LOCAL COMMUNITIES AND CSR POLICIES**

**[GRI 3-3a]** IRSAP s.p.a. generates a real positive impact in terms of supporting local communities and CSR policies. In 2023, the IRSAP Group pursued its desire to financially support multiple associations operating in the social field, especially in the territory of the Parent company and its Subsidiaries. The commitment was realised in 2022 with the establishment of the IRSAP Foundation.

**[GRI 3-3c]** Commitments and achievements are described on pages 112 to 115 of the Sustainability Report 2023.





# IRSAP

IRSAP SPA  
45031 Arquà Polesine (RO)

Tel. 0425.466611  
Fax 0425.466662

**E-mail: [info@irsap.it](mailto:info@irsap.it)**  
**Web: <http://www.irsap.com>**

