GIORDANO CONTROLS

Technology and Wellness, a Better Future

SUSTAINABILITY REPORT 2024

orkli Group

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

We are pleased to share with you our Sustainability Report for the year 2024, a re-starting year that, although closing with an economic loss, represented a milestone in our sustainable growth strategy. We have strengthened the industrial, environmental and social foundations on which we will build our future, with a clear focus on innovation and corporate responsibility.

A year of improvement

2024 recorded a significant improvement over 2023, a year that was strongly affected by the contraction of building-related tax subsidies. Although the economic result remains negative, the recovery of operations and greater focus on core activities have enabled us to lay the foundations for a return to profitability.

All this in a context characterised by regulatory and technological changes: the EPBD (Energy Performance of Buildings Directive) and the EU's Ecodesign Regulation are forcing the gradual elimination of fossil-fuel boilers, pushing towards low-impact alternatives. Italy, with its historical and varied building heritage, requires flexible strategies, in which Giordano Controls offers itself as an expert and innovative partner.

Environmental performance and future commitments

In 2024, we recorded an overall reduction of 8% in Scope 1 and Scope 2 greenhouse gas emissions, confirming the positive trend in energy management and consumption efficiency. In addition, we began monitoring Scope 3 emissions for the first time, mapping the main indirect sources of our environmental footprint – including purchases, transport, product use and employee travel – for an estimated total of approximately 124,000 tonnes of CO_2eq.

At the end of the year, we completed the installation of a new hybrid heating system for the company, with a heat pump and high-efficiency boilers. The results in terms of reduced consumption and emissions will be measurable from 2025 upwards.

During 2024, we also plan to start the process of obtaining ISO 14001 (environmental) and ISO 45001 (occupational health and safety) certification, with the aim of obtaining both by the end of 2025.

Innovation and intellectual property

Our commitment to research has resulted in the granting of an important patent in China and South Korea for our gas valve, as well as the filing of two new patent applications for GoHyb technology, an intelligent hybrid solution designed to dynamically adapt to the most efficient and sustainable energy source.

ESG: a strategic approach

2024 saw the implementation of the 2024–2026 Sustainability Plan, which focuses on ESG topics. Among the main initiatives:

- Enhanced governance and compliance, aligned with the Corporate Sustainability Reporting Directive (CSRD).
- Social and inclusive initiatives: promoting women's careers in STEM, analysing job opportunities for people with disabilities, reducing the gender pay gap.
- Responsible supply chain: introducing a supplier qualification system based on ESG criteria, including measuring the carbon footprint of strategic partners.
- Valuing human capital: introducing a new digital platform for continuous training and tailored growth paths.
- Community engagement: supporting local social, cultural and scientific initiatives, in collaboration with public and private organisations.

We have also obtained a Silver rating from EcoVadis, ranking us among the most virtuous companies in our sector in terms of environmental sustainability, human rights and ethics.

Vision for the future

In the heating and energy efficiency sector, challenges are multiplying: high installation costs, building restrictions, and a shortage of qualified technicians. For this reason, our approach remains multi-technological, pragmatic, and customer-oriented. Only in this way is it possible to realistically approach the energy transition and contribute to decarbonisation.

Conclusion

2024 was the year in which we turned difficulties into actions and complexity into opportunities. We look to the future with confidence and determination, guided by our values: innovation, responsibility and sustainability.

A heartfelt thank you to all our employees, customers, partners and shareholders. It is thanks to your support that we can continue to generate positive impact and shared value.

Bruno Giordano

Chairman

Nicola Francesco Renoffio

Innovation Strategist

APPROACH AND METHODOLOGY

Purpose and aims

This Sustainability Report is the third document produced by Giordano Controls with the aim of transparently communicating to all stakeholders the values, strategies, and performance directly related to its **environmental, social, and governance (ESG)** impacts.

The publication of this Report is a **voluntary exercise** for the company, which does not fall within the category of large public interest entities required to report on their non-financial performance pursuant to Legislative Decree 254/2016.

Sustainability is a fundamental element underlying Giordano Controls' activities, which is why we decided to draw up our Sustainability Report based on the UN's 2030 Agenda. The 17 Sustainable Development Goals (SDGs) represent "common goals" to be achieved in areas relevant to sustainable development.

Please note that this Sustainability Report has not been reviewed by an external body.

Boundary

The 2024 Sustainability Report covers the period from the 1st of January to the 31st of December 2024. The reporting period of the Sustainability Report corresponds to the fiscal year and ends on the 31st of December each year. This is the third Sustainability Report issued by the company and includes comparisons with previous years where possible.

Selection of used reporting standards

The report has been prepared in accordance with the GRI Sustainability Reporting Standards (hereinafter referred to as GRI Standards), issued in 2016 by the Global Reporting Initiative and updated in 2021. The selection of GRI indicators was based on the relevance of the various material issues for Giordano Controls.

In preparing this report, the reporting principles for defining content and quality set out in section 1 of the GRI standards were used, namely:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

As required by the Standards, the data collection phase was preceded by a 'Materiality Analysis' aimed at identifying the relevant themes that represent the organisation's most significant impacts on the economy, the environment and people, including those on their

human rights. All managers, including members of the Board of Directors, were involved in the materiality analysis process to identify the material themes for Giordano Controls.

Collection of qualitative and quantitative data to be reported

The data presented refer to Giordano Controls and have been calculated accurately.

The performance indicators of the Romanian company RESET, controlled by Giordano Controls, and of the parent company Orkli have not been considered for this Sustainability Report, also in relation to the decision not to prepare consolidated financial statements.

Occasionally, performance indicators may be calculated on the basis of estimates, in which case this will be duly noted.

Driven by the principle that only what is measurable can be improved, during 2025 and the coming years, the database of content in the report will be expanded and made more accurate, continuing the work of full alignment with standards and requirements. Any revisions to data and information from previous reporting periods, to correct an error or to take account of changes in the measurement methodology, will be promptly reported in order to ensure consistency and comparability between different reporting periods.

It has been and will continue to be a long process, involving collaboration between different company departments, coordinated by the Innovation Strategist function, which aims to promote the value and importance of collecting sustainability information for the purpose of preparing this report.

At present, no analysis has been carried out of activities potentially considered aligned with the Taxonomy ("aligned activities") in accordance with the information requirements of the European regulation on Taxonomy (Article 10 of the delegated act to Regulation 852/20 published on 6/7/2021 and approved by the EU Parliament on 8/12/2021), which will be carried out during the next revisions.

Contact

If you have any questions, comments or feedback regarding this sustainability report, please contact **sustainability@giordanocontrols.it**

Giordano Controls

Technology and Wellness, a Better Future

GOVERNANCE

Orkli Group

Giordano Controls

About us

Giordano Controls SpA is a company specialised in the research, development, and production of electronic, informatics and electromechanical products for the HVAC and combustion sectors. Our target market focuses on heating, climate control and environmental comfort, with a mainly B2B global customer base.

Our priority is the adoption of new wireless, IoT, Artificial Intelligence and cloud technologies, integrating them into our offering to ensure cutting-edge solutions for our customers.

Giordano Controls is part of the **Mondragon Corporation**, benefiting from a stake held by the Spanish company **Orkli S. Coop**. This affiliation allows us to operate as a large enterprise, with access to shared resources and expertise (research institutes, facilities and structures in key markets, etc.) and taking advantage of the opportunities derived from belonging to a major international industrial group.

Our headquarters are located in Villa Bartolomea, Verona, in a 2.000 square metre facility. This is where our research and development, laboratory, production and corporate functions such as engineering, administration, purchasing, sales, logistics and marketing are carried out.

We have a majority stake in Reset EMS in Romania, which serves as a production and testing facility, as well as a main warehouse.

Our team consists of 61 employees, including 25 highly qualified technicians and engineers dedicated to research, development and technological innovation. We have a modern laboratory equipped with the most advanced simulation technologies to ensure reliability, quality, electromagnetic compatibility and regulatory compliance.

We constantly invest in research and innovation, with 20 patents filed and granted and 3 registered trademarks. Our intellectual property and know-how represent a fundamental strategic asset.

Giordano Controls is a promoter and reference point for the Rete Innovativa Regionale Veneto Clima ed Energia and the regional representative for Veneto in the National Energy Technology Cluster chaired by ENEA.

We are members of **Confindustria Verona** and participate in **Assotermica**, affiliated with Anima Confindustria, representing almost all manufacturers of equipment and components for environmental climate comfort. This sector, characterised by constant technological evolution, places Italian production among the best in the world.

Giordano Controls is dedicated to excellence and continuous innovation, committed to providing advanced technological solutions to improve comfort and quality of life.

Goals and strategies

We are committed to creating **innovative and intelligent solutions** for environmental climate control, energy saving and energy management in buildings, contributing continuously to the decarbonisation process and the energy transition.

Each of our customers wants to offer **well-being, safety and satisfaction** to end users, in order to be recognised as a leading sustainable partner.

Our goal is to offer **efficient, innovative and customised solutions** that transform each customer into a benchmark in their sector.

Values

Values such as commitment and collaboration, together with the desire to improve, are part of who we are. We are aware that our main goal is customer satisfaction, which will always be our priority. Our core values are:

- **Customer focus**
- **Market leader**
- **Technology and innovation**
- **Quality, reliability and responsibility**
- **Sustainability**
- **Ethics and integrity**

Awards

In June 2024, Giordano Controls underwent an assessment by **EcoVadis**, a rating based on an independent analysis of the company's policies, actions and results in the areas of the environment, labour practices and human rights, ethics and sustainable procurement. The assessment takes into account the size and specific characteristics of the sector in order to improve its accuracy.

This tool is a further step towards communicating its sustainability efforts and results to its stakeholders, particularly its customers, while also facilitating comparison with international companies and allowing for the identification of areas for improvement. In 2024, Giordano Controls achieved a "**Silver rating**" in recognition of its sustainability results in the electronic control systems manufacturing sector. In fact, it achieved a score higher than or equal to 92% of all companies assessed by EcoVadis, with an overall sustainability performance classified as **advanced**.

Overall score

↗ **70**/100

Percentile ⓘ

92nd

SILVER | Top 15%
ecovadis
Sustainability Rating
JUN 2024

Ethical governance

Corporate organisation, ethics and business integrity

The company is part of the ORKLI S. COOP Group and is subject to management and coordination by ORKLI S. COOP (which holds over 60% of the shares).

In consideration of the acquisition of control by ORKLI S. COOP in December 2022, it is confirmed that the management and coordination activities in 2024 did not have any particular effect on the company's business and results.

Giordano Controls has a traditional top-down organisational structure.

The structure of Giordano Controls consists of the **Board of Directors** (BoD), the Chairman of the Board of Directors, who also acts as Chief Executive Officer, and a **Board of Statutory Auditors** consisting of five members, two of whom are substitutes.

Starting in 2023, the Board of Directors will be supported by the **Steering Committee**, composed of company department heads with advisory powers, aimed at ensuring the continuity of the company. In 2024, a **Sustainability Committee** was also established with the function of supporting management in defining, implementing and monitoring the company's sustainability strategies, promoting an integrated and cross-cutting approach to ESG issues. The Committee is composed of members from within the organisation, selected from among representatives of the various company departments.

Business integrity is the ability to develop the business with loyalty and transparency. It is a key factor that characterises the company's identity and is a fundamental element of its reputation and image.

The company recognises compliance with the laws, rules and regulations in force in all countries in which it operates as a fundamental principle. Consequently, all employees and all those who work on its behalf must adopt a conduct inspired by transparency, integrity and the principles of honesty, fairness and good faith.

Responsible governance ensures fairness and transparency in the conduct of business and related corporate activities and is an essential element in the development of economically sustainable business activities capable of generating value for all stakeholders.

Giordano Controls applies preventive measures and policies aimed at combating active and passive corruption and promotes the spread of a culture of legality.

Since 2020, the company has adopted a Code of Conduct (**Code of Ethics**) and an **Organisational, Governance and Control Model** pursuant to Legislative Decree No. 231 of 8 June 2001, which provided for the appointment of a **Supervisory Body** responsible for monitoring compliance with, the proper functioning and effectiveness of the Organisational, Governance and Control Model. The Body monitors the application of the Code of Ethics using data and information collected during periodic visits or through reports (**Whistleblowing Procedure**).

With the Organisation, Management and Control Model, the company has adopted an organisational system aimed at preventing the risk of crimes being committed, through the identification of the most sensitive activities and the establishment of rules of conduct designed to prevent unlawful behaviour by senior managers, executives or persons with decision-making power and by persons subject to the management and supervision of persons in senior positions.

During 2024, no crimes attributable to cases under Legislative Decree 231/01 were reported to the company, nor did the Supervisory Body receive any reports of crimes being committed.

Giordano Controls has been awarded the highest **Legality Rating** score by the Italian Competition and Market Authority (AGCM): ★★★

The Legality Rating is a summary indicator that measures companies' compliance with high standards of legality and their focus on proper business management. This tool aims to reward companies that comply with the law, are transparent and operate according to sound ethical principles, offering them access to specific advantages and benefits in the following areas:

Reputation

- Improved corporate image: companies with a high Legality Rating are considered more reliable and credible, improving their reputation in the market.

- Attracting new customers and partners: transparency and adherence to ethical principles can attract customers and business partners interested in working with companies that share the same values.

Granting of Subsidies and Loans

- Access to public incentives: companies with a high Legality Rating can benefit from tax relief and other incentives offered by public bodies.
- Priority in tenders: these companies can obtain additional points or priority in selection processes for tenders and public contracts.

Access to Credit

- Favourable financing conditions: companies with a high Legality Rating can obtain more advantageous credit conditions, such as reduced interest rates and more flexible repayment terms.
- Easier access to financing: banks and financial institutions may be more inclined to grant financing to companies with a solid Legality Rating, considering them to be low risk.

Other important positions held by members of the Board of Directors:

Bruno Giordano (Chairman): Chairman of the Cariverona Foundation, Vice Chairman of ANIE with responsibility for "Green Transition and Sustainable Development", Chairman of IMQ Associazione, Advisor to the Rector of the University of Verona with responsibility for energy and relations with businesses.

Nicola Francesco Renoffio (Director): Member of the Veneto Regional Committee of the National Energy Technology Cluster, Member of the Stakeholder Committee of the Department of Computer Science at the University of Verona, Member of the Board of Directors of the Coverfil Consortium of Confindustria Verona, heading the Rete Innovativa Regionale Veneto Clima ed Energia, Member of the Commission for Intellectual and Industrial Property and Spin-offs at the University of Verona.

Aitor Goñi Usabiaga (Director): President of Orkli S. Coop.

José Ramon Perez Vicandi (Director): General Manager of Giordano Controls SpA.

Compliance with laws and regulations

Giordano Controls is responsible for non-compliance with the laws and regulations of regulatory bodies, governments and international community.

To ensure compliance with laws and regulations, the various company departments constantly monitor regulatory developments and interact with each other to verify the alignment of company activities. In particularly complex cases, they seek the assistance of expert advisors and consultants.

Any critical issues identified are shared with control and staff functions, such as Administration and Finance and Human Resources. If necessary, they are brought to the attention of the Corporate Control Bodies, such as the Board of Statutory Auditors and the

Supervisory Body. Ultimately, regulatory compliance issues are reported to the Board of Directors.

The main regulatory areas monitored include:

- product safety and quality;
- intellectual property protection;
- health, safety and hygiene in the workplace;
- environmental protection;
- labor law;
- accounting, tax and customs;
- competition, corruption;
- GDPR and cybersecurity.

In particular, the company ensures that all products, services and systems developed and delivered are safe, comply with the highest quality standards and conform to national and international regulations.

Giordano Controls is committed to ensuring proper compliance with all tax obligations in accordance with laws and regulations and does not engage in any scheme aimed at artificially reducing or evading its obligations in this regard, in accordance with the principles of prudence, transparency and fairness. The company has a transparent attitude towards the tax authorities and applies a transfer pricing policy with its subsidiaries that ensures transactions are carried out at market prices. Giordano Controls periodically reviews its tax policy, also in view of changing legislation. We are convinced, as well as aware, that our strategy of "tax transparency" contributes to greater justice and fairness.

Thanks to the measures adopted, no violations of laws or regulations were recorded in 2024, and the company did not receive any fines or penalties.

The approach to sustainability

The concept of sustainability is linked to the three **ESG** pillars (acronym for **Environmental**, **Social** and **Governance**), i.e. topics that take into account environmental, social and good governance aspects, which make the development of economic activities compatible with environmental protection:

- **environmental sustainability** – aimed at responsible use of natural resources, ensuring their availability and quality;
- **social sustainability** – aimed at achieving safety, health and justice, to ensure high standards of living for people;
- **economic sustainability** – aimed at generating income and employment, thus ensuring economic efficiency and income for the company.

The goal of sustainable development is therefore to maintain a constant balance between the environment, the economy and society, in order to meet everyone's needs and ensure better living conditions for people.

Since 2015, under the guidance of the United Nations General Assembly, the **2030 Agenda** for Sustainable Development has been the compass guiding governments and the private sector in their efforts to implement a programme of action for people, the planet and prosperity. The backbone of the Agenda is the **17 Sustainable Development Goals** (**SDGs**).

Based on the **ASviS** (**Italian Alliance for Sustainable Development**) **Spring 2025 Report**, updated in April 2025, concerns about achieving the Sustainable Development Goals (SDGs) by 2030 are confirmed and reinforced, outlining a national and global context that is significantly behind schedule, although not without the possibility of a reversal.

ASviS highlights that Italy is significantly behind on all 17 SDGs, with significant deterioration compared to 2010 for six goals (poverty, water, inequality, terrestrial ecosystems, governance and partnerships) and very limited progress for most of the others. According to estimates developed with Prometeia, only 8 of the 37 measurable goals set for 2030 are achievable; 22 are considered unachievable and for the remaining 7 the trend is uncertain.

The document highlights how Italy has not yet prepared the 'Transformative Acceleration Plan' promised at the UN in September 2023, nor has it consistently implemented the 2022 National Strategy for Sustainable Development (SNSvS). On the contrary, several recent measures, including the updated PNIEC, decisions on nuclear energy and decrees on agri-photovoltaics, are at odds with EU and G7 environmental targets, further compromising the transition process.

At European level, the Green Deal remains a pillar of EU policy, with decarbonisation targets for 2040 (-90% emissions compared to 1990) and 2050 (climate neutrality). However, internal contradictions are emerging: some proposals for regulatory simplification (such as the revision of the CSRD and the European taxonomy) risk weakening the

regulatory framework on sustainability, reducing obligations for companies, especially in Italy.

According to the report, accelerating the sustainable transition also makes economic sense. The scenarios developed with Oxford Economics show that decarbonisation brings benefits in terms of competitiveness, reduced energy costs and greater social inclusion. However, this requires structural reforms, public and private investment and unified and consistent governance.

The picture painted by the ASviS Spring 2025 Report is clear: Italy is still a long way from meeting its sustainability commitments. The critical issues concern not only the results, but also the consistency of the policies adopted, institutional fragmentation and the lack of integration between environmental, economic and social strategies. However, the conditions for reversing the trend still exist, provided that courageous and coordinated choices are made quickly, placing the 2030 Agenda at the centre as a cross-cutting reference for all public policies.

In November 2024, the 29th United Nations Climate Change Conference (**COP29**) was held in Baku, focusing primarily on long-term climate finance and support for developing countries. The conference highlighted the urgent need to increase investment in adaptation and mitigation, particularly in the most vulnerable countries.

One of the main outcomes was the strengthening of the framework for the new global goal on climate finance post-2025, which is set to exceed the historic milestone of $100 billion per year. Pledges were confirmed for the Green Climate Fund, which has reached $15.9 billion in approved projects, and for the recently operationalised Loss and Damage Fund, with an initial allocation of $731 million.

During COP29, the need for greater private sector involvement, simplification of mechanisms for accessing funds and promotion of concrete projects on a regional scale also emerged. Particular emphasis was placed on the integration of ESG principles, gender equality in climate finance and the role of local communities and indigenous peoples.

Although the conference represented a step forward in terms of multilateral coordination, participants reiterated that the resources available remain insufficient compared to estimated needs and that technical and financial support must be accelerated in order to meet the commitments of the Paris Agreement.

Today, we cannot ignore the **geopolitical situation** in various parts of the world where armed conflicts and human rights violations are occurring on a large scale. These conflicts obviously create numerous obstacles to achieving the goals of the 2030 Agenda and undermine the stability and credibility of politics and institutions, increasing inequality and instability throughout the world.

INAIL has published the first official data on workplace accidents and occupational diseases for 2024, offering a detailed analysis of trends in this area.

During 2024, 511.688 reports of accidents at work (excluding students) were submitted to INAIL in Italy, representing a slight decrease of 0,7% compared to the previous year. The data confirms a stable trend, but highlights some divergent dynamics depending on the type of event. Accidents occurring during work activities proper – so-called "work-related accidents" – fell to 414.853, a reduction of 1,9% compared to 2023. On the other hand, accidents while commuting, i.e. those occurring on the way to and from work, increased by 5,0% to 96.835. This figure highlights the urgent need to pay greater attention to safety conditions related to worker mobility.

The number of fatal accidents rose to 1.077 cases in 2024, up from 1.029 the previous year. Of these, 797 occurred during work, while 280 occurred while commuting, with a particularly significant increase of 17,2% for the latter category. This is a warning sign that confirms the need for targeted action not only in the workplace but also in the management of risks associated with daily travel.

Reports of occupational diseases also rose sharply, reaching 88.499, an increase of 21,6% compared to 2023. The most frequently reported pathologies concern the musculoskeletal system, connective tissue, the nervous system and the auditory system. This trend suggests that exposure to ergonomic and environmental risks is still high and requires more careful preventive assessment and greater dissemination of a culture of health in the workplace.

Overall, 2024 confirms some positive signs related to the reduction of accidents in the direct workplace, but highlights the urgent need to intervene with more effective strategies on safety in commuting and the prevention of occupational diseases. The promotion of safe, healthy and inclusive workplaces remains a cross-cutting priority for all organisations committed to social sustainability and people's well-being.

The coming years will be crucial for overcoming the three major **challenges** that the country is already facing: the implementation of the PNRR (National Recovery and Resilience Plan), the achievement of a fair ecological transition, including a 55% reduction in climate-changing emissions by 2030, and the achievement of the goals and targets of the 2030 Agenda. Given the context, tackling future challenges is more complex today than in the past. Companies must be able to move faster given the complexity and volatility of the world in which we operate. The challenges that many companies face this year seem to have different interests than the commitments made in the 2030 Agenda.

Giordano Controls is aware that **sustainability**, **economic competitiveness** and **national security objectives** are now more closely aligned than ever before. It is therefore essential to find ways to adapt, mitigate and combine these concepts in order to tackle global challenges with a strategy that is beneficial to all.

Giordano Controls has also given its support to the **United Nations Global Compact** (UNGC) and has been registered as a participating company, backing the **Ten Principles of the UN Global Compact** on human rights, labour, the environment and anti-corruption. Each participant is required by the UN Global Compact Office to report on the strategies and policies adopted to promote sustainable development through the Communication on Progress (COP): this is the tool through which participating companies inform the New York offices and their stakeholders on an annual basis about the activities implemented and the results achieved during the reference period.

As a strategic supplier to leading companies in the heating, combustion, climate control and alternative energy management sectors, which are key areas in the fight against climate change, including both global warming caused by greenhouse gas emissions and the resulting large-scale changes in weather patterns, **Giordano Controls is aware that it plays an active role in energy efficiency initiatives, reducing carbon dioxide levels (decarbonisation) and investing in the identification of innovative solutions for the integration of renewable energy sources**.

With this in mind, and based on scenarios that bring together the environment, work, human rights, industry, and finance, **Giordano Controls is taking a holistic approach and acting as a catalyst for change**, continuing on the path it has already chosen to identify, implement, and monitor sustainability goals, using the most appropriate methods to achieve them in its own context and within the wider system.

Although the report refers to data from Giordano Controls, within the Orkli Group, of which the company is a part, the **group's sustainability policies** are taken into account, especially in the context of a **cooperative system**, representing an integrated approach to addressing economic, social and environmental challenges. By **cooperative project**, we mean the generation of social well-being and wealth in the environment, the proposal of solutions that provide high added value to our customers, as they are innovative and technologically advanced, with inter-cooperation as a way of doing things in an innovative and attractive work environment, where people feel involved and committed.

Stakeholders and materiality

Engaging with Stakeholders

Giordano Controls considers establishing **relationships of trust** with its **stakeholders** to be essential for developing and improving its strategy and operations. Listening to stakeholders is of primary importance in order to fully understand their needs and expectations, to identify material themes and to direct our actions accordingly. We strongly believe that a collaborative approach is essential in order to overcome the challenges facing us in today's world.

Therefore, with a view to identifying our impacts, risks and opportunities in greater detail, in 2024 we refined the mapping of our stakeholders with the direct involvement of senior management, based on the analysis of aspects such as the company structure, the value chain, business activities and those not strictly related to it, but which are nevertheless an integral part of the company's reality.

Ten homogeneous categories of stakeholders were identified, grouped according to their interests, expectations, needs and existing relationships with Giordano Controls.

We engage with each of these categories through different methods of involvement and listening, in line with the principles of transparency and fairness, as well as clarity and completeness of information, with the aim of always making informed decisions.

Stakeholder	Expectations	Engagement method
stockholders	economic performance, business strategies and goals, including in relation to ESG matters	corporate documents, company meetings, events
customers and business partners	quality and reliability, safety and technological innovation, continuous assistance and support, flexibility and adaptability to requests, privacy	business meetings, audits and surveys, invitations to events and trade fairs
financial community	ability to meet financial obligations, compliance with current regulations and principles of transparency, clarity, fairness and reliability	participation in events, convention and conferences, meetings, round tables
human capital	safe and fair workplaces, job stability and corporate welfare, opportunities for personal and professional growth, training, fair remuneration policies and meritocratic systems, privacy	regular meetings to share results, company communications, channels for reporting violations of company regulations
institutions, government agencies and supervisory bodies	compliance with current regulations, anti-corruption measures, prevention of offences under Legislative Decree 231/2001, integrity and transparency, ESG performance	assemblies, regular meetings, formal communications
suppliers	compliance with contractual conditions, continuity in supply requests, fair and non-discriminatory treatment, possibility of developing strategic partnerships to improve business activities	regular meetings, contracts, qualifications and assessments
trade union representatives	implementation of measures to safeguard the health and safety of employees, compliance with contractual conditions, respect for and protection of human rights	regular meetings, round tables
local area and community	establishment of business practices that protect the local area, promotion of local development, participation in and support for cultural development and social inclusion projects	contribution to the local economy, respect for the environment and human rights, sponsorship of projects, cultural initiatives
schools, universities and research centres	involvement of students in work-study programmes and internships, promotion of youth employment, collaborations with universities and research centres in order to develop and disseminate engineering and technical skills	internships and work placements, company presentations, technical and design partnerships with universities and schools
media	overview of company performance, presentation of social and cultural initiatives undertaken, presentation of technological innovations	interviews, company presentations, corporate events and trade fairs, press conferences

Materiality Analysis

At Giordano Controls, we are aware of the importance of addressing **material themes** that have an impact on our organisation, the economy, the environment and people. To identify these themes, we conducted an analysis of our organisational context and consulted various sources, such as industry benchmarks, best practices, internal documentation (Code of Ethics, Organisation and Management Model, internal policies), external tools such as GRI standards and those soon to be published (ESRS), national and international sustainability principles and regulations (such as the Global Compact, the Sustainable Development Goals SDGs and the European Commission's Action Plan for Sustainable Finance and parts of Article 3 of Italian Legislative Decree 254/2016).

Our materiality assessment involved the main business functions and took into account stakeholder expectations, resulting in a comprehensive qualitative and quantitative assessment of the themes identified.

We also referred to the document prepared by Orkli for the ORKLI GROUP, of which we are a part, for the Non-Financial Statement required by Spanish law. Ultimately, we reorganised the themes into categories as shown below, determining the prioritisation of potentially relevant themes by identifying:

- importance for Giordano Controls
- relevance for stakeholders

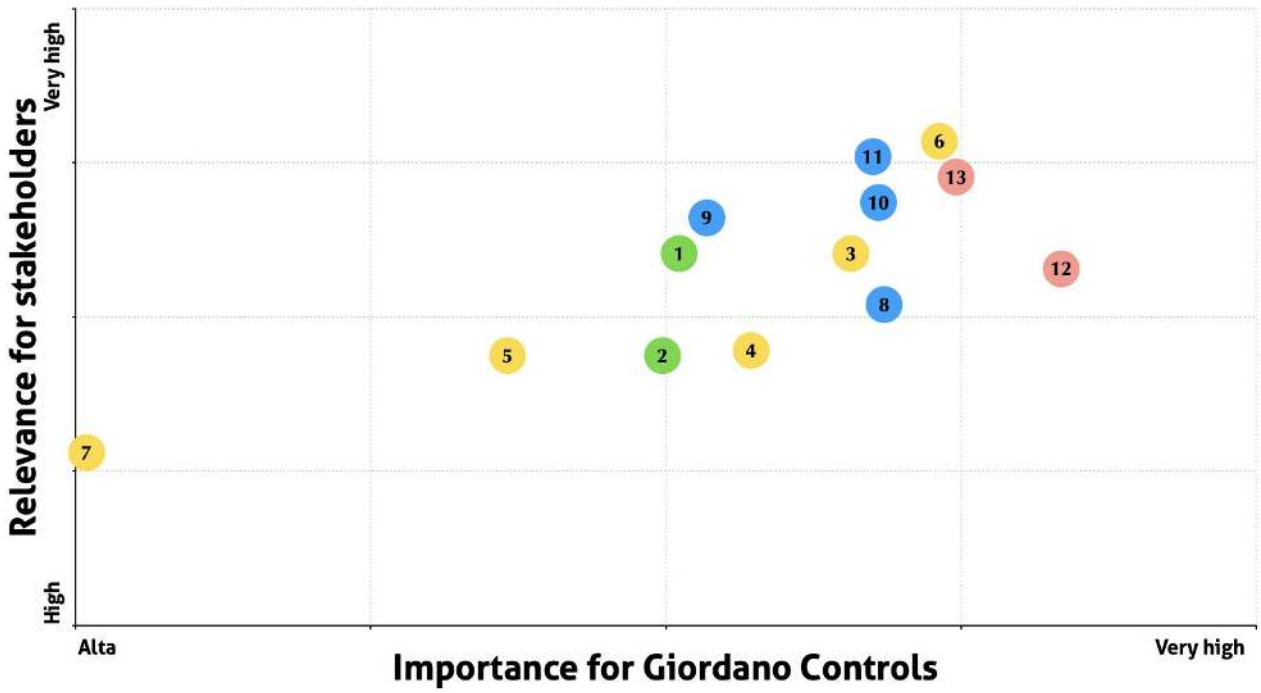
The themes were submitted to the company's main stakeholder categories through an online questionnaire, which involved 74 stakeholders (approximately 62% of whom were employees and shareholders). This method allowed for direct dialogue with stakeholders and enabled the needs and points of view of the various parties to be identified.

The **Materiality Matrix** below summarises the priorities of Giordano Controls' management, its staff and all categories of stakeholders with whom the company interacts in the course of its business. It identifies the most relevant issues necessary to ensure understanding of the company's activities, their performance and their economic, social and environmental impacts. The order of priority of the themes has been defined taking into account the strategic importance that each of them has for Giordano Controls (x-axis) and the perceived relevance for stakeholders (y-axis).

Material Themes associated with SDGs

Category		Material Theme	Related SDGs
ENVIRONMENT	1	Efficient resource and waste management	7, 11, 12, 13
	2	Climate changes	
SOCIAL ASPECTS AND HUMAN RIGHTS	3	Labour management and human rights	3, 4, 5, 8, 10, 11, 12, 17
	4	Human capital development	
	5	Responsible supply chain management	
	6	Health and safety in the workplace	
	7	Engagement in local communities	
CORPORATE GOVERNANCE	8	Economic growth and financial strength	8, 16, 17
	9	Risk management	
	10	Ethics/Anti-corruption and business integrity	
	11	Compliance with laws and regulations	
PRODUCTS AND SERVICES	12	Innovation, quality and sustainability in products and services	9, 13, 17
	13	Adapting to and satisfying customer needs	

Materiality Matrix 2024



The numbers refer to the topics listed in the table above.

Risk management

The Board of Directors plays a central role in the risk management system, dealing with both the direction and evaluation of the processes and tools implemented. Responsibilities are divided among the various leaders of the main corporate functions, each for their own area of expertise. They support the Board of Directors in identifying risks and opportunities related to ESG (Environmental, Social, Governance) issues, as well as in implementing appropriate management and control initiatives.

In particular, the following business risks have been identified, some of which have already been addressed and dealt with in this report and within the scope of the topics already assessed by the company (health and safety, Legislative Decree 231 and Organisational Model, finance, GDPR, cybersecurity).

Business Risks

External Risks		Competitor
		Technology
		Macroeconomic Context
		Regulatory Changes
		Social Trends/Developments
		Climate Change and Natural Events
		Energy Transition
Internal Risks	Strategic	Organisational Structure
		Growth
		Innovation
		Corporate Social Responsibility (CSR)
	Operational	Finance
		Sales
		Supply Chain
		Services
		Marketing and Communication
		Research and Development
	Financial	Interest Rates
		Exchange Rates
		Cash Flow
		Loan
	Compliance	Legislation and Regulations
		Environment
		Health and Safety
	Human Resources	Human Resource Management
		Trade Union Relations
	ICT	Privacy and Cybersecurity
		Infrastructure
		Segregation of Duties (SoD)

In 2024, no particular critical issues were reported to the Board of Directors in relation to the identified business risks.

Risk management systems and tools

- Code of Ethics
- Organisational model 231
- Organismo di Vigilanza
- Whistleblowing procedure
- Tax planning policy
- Budgeting process
- Controlling
- Review monthly financial statements and analyse business KPIs
- Continuous monitoring of technological innovations and competitors
- Health and Safety Management System
- Update of the Health and Safety Risk Assessment Document (DVR)
- Policies/tools/programmes for employees: welfare, "Diversity and equal opportunities", training
- GDPR compliance and cyber security monitoring

Economic growth and financial strength

Economic and financial performance

In 2024, Giordano Controls continued to operate with the aim of generating economic and financial results in line with market and stakeholder expectations, focusing on a resilient industrial model, responsible management and constant attention to service quality. Despite the continuing challenging economic situation in the HVAC sector, the order book showed signs of consolidation, supported by a strategy focused on customer diversification, the development of new technological solutions, internationalisation and the strengthening of the after-sales offering.

The year was still affected by the difficulties inherited from 2023, but some positive signs of change emerged. The negative trend in sales volumes, which had affected both traditional and electric technologies across the board, stabilised partially, despite a market environment that continued to be affected by the reduction in tax incentives and regulatory uncertainty. Certain regulatory decisions at European level, which pushed rigidly towards fully electric solutions without adequate consideration of technical, social and economic aspects, continued to generate distortions in the investment planning phase throughout the supply chain.

During the year, the company continued to implement a plan to rebalance its operations and management, which included measures to streamline production, improve the supply chain and contain costs. However, the unstable environment continued to affect inventory management, resulting in inventory levels that remained high compared to the targets set. The priority now remains to further improve the alignment between demand and supply, strengthen the company's position in markets with higher potential, and support the development of products and services consistent with the ongoing energy transition.

Economic values in €

	2024	%	2023	%	variation 24-23	variation % 24-23
Economic value generated	15.955.512	100,0%	16.946.415	100,0%	-990.903	-5,8%
- costs of raw materials, auxiliaries, consumables and goods	7.345.198	46,0%	8.507.512	50,2%	-1.162.314	-13,7%
- general expenses	4.755.239	29,8%	4.826.132	28,5%	-70.893	-1,5%
Added value	3.855.075	24,2%	3.612.771	21,3%	242.304	6,7%
- other income	523.266	3,3%	710.793	4,2%	-187.527	-26,4%
- labour costs	2.481.346	15,6%	2.476.362	14,6%	4.984	0,2%
Gross operating margin EBITDA	850.463	5,3%	425.616	2,5%	424.847	99,8%
- amortisation and devaluations	1.259.881	7,9%	797.313	4,7%	462.568	58,0%
Net operating margin EBIT	-409.418	-2,6%	-371.697	-2,2%	-37.721	10,1%
+ other income	523.266	3,3%	710.793	4,2%	-187.527	-26,4%
operating expenses, financial income and expenses, adjustments	-484.272	-3,0%	-293.133	-1,7%	-191.139	65,2%
Income before taxes	-370.424	-2,3%	45.963	0,3%	-416.387	-905,9%
- Income taxes	-191.891	-1,2%	-57.214	-0,3%	-134.677	235,4%
Net income	-178.533	-1,1%	103.177	0,6%	-281.710	-273,0%

Negative income taxes due to the amount advanced in the previous year

Economic value generated and distributed

The economic value generated and distributed represents Giordano Controls' ability to create value through its industrial activities and redistribute it, in various forms, to its stakeholders. The value generated in 2024, amounting to €15.955.512, derives from the sale of products and services, as well as other operating income, net of amortisation and devaluations.

Distributed economic value 2024

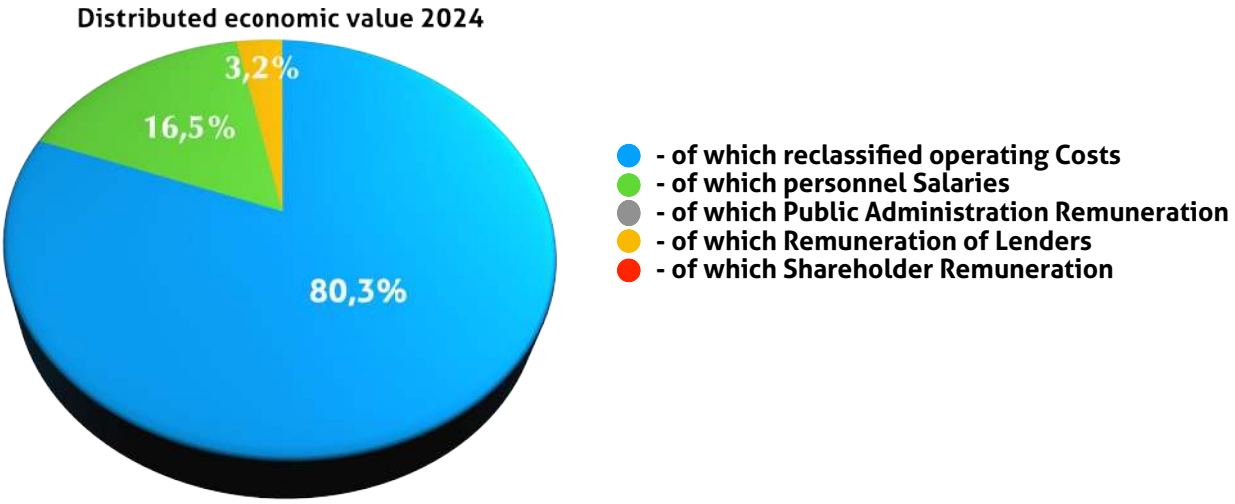
		2024	%
Economic value generated	**€**	**15.955.512**	
Distributed economic value	**€**	**15.066.055**	100,0%
- of which reclassified operating Costs	€	12.100.437	80,3%
- of which Staff salaries	€	2.481.346	16,5%
- of which Public Administration remuneration	€	0	0,0%
- of which Remuneration of Lenders	€	484.272	3,2%

	2024	%
- of which Shareholder Remuneration	€ 0	0,0%
Economic value retained	**€ 889.457**	

The total economic value distributed amounts to €15.066.055, equal to 100% of the value distributed during the period, and includes flows to suppliers, employees, financial institutions and other stakeholders. The most significant portion is represented by reclassified operating costs, amounting to €12.100.437, which include the purchase of raw materials, auxiliary materials, consumables and goods, as well as costs for services, use of third-party assets, donations, sponsorships, management fees and remuneration to directors and supervisory bodies.

The economic value allocated to personnel, including wages and salaries, bonuses, social security contributions, pension provisions and other costs related to human resources management, amounted to €2.481.346, representing 16.5% of the economic value distributed.

In 2024, no amount was allocated to the Public Administration in the form of direct taxes and duties, as the financial year ended with a loss and the effect of deferred tax assets resulted in a negative balance. Lenders were paid €484.272 to cover the financial expenses incurred during the period.



No distribution of profits to shareholders was approved. The retained economic value amounted to €889.457, mainly attributable to economic adjustments, provisions, amortisation and depreciation, and losses for the year, and is intended to support financial stability and future investment capacity.

As regards the financial position at 31 December 2024, the overall picture remains balanced, despite the continuing complex economic situation and the negative operating result. Analysis of the structural indices shows a strengthening of the company's financial solidity: the ratio of equity to invested capital remains at adequate levels, confirming good

capitalisation. Net equity, amounting to €9.601.369, decreased only slightly compared to 2023 (-2.1%), against a more marked contraction in total assets, thus contributing to stabilising financial leverage.

The primary treasury index, which measures the company's ability to meet current liabilities using available liquidity and short-term receivables, also shows positive signs. Although cash availability decreased in 2024 (-25.6%), the decline in current liabilities (-16.5%) and the good performance of trade receivables made it possible to maintain an adequate level of coverage, capable of guaranteeing short-term solvency.

Overall, financial management in 2024 contributed to reducing medium- to long-term debt and significantly improving the net financial position, which improved by approximately €1,85 million compared to the previous year (+46.6%). These results confirm the company's ability to maintain effective control over its financial structure, even in a year that was not favourable in terms of profitability.

Balance sheet (relevant data)

	2024	2023	Δ 24-23	Δ % 24-23
Fixed assets	€ 3.714.931	€ 4.375.241	€ (660.310)	-15,1%
Inventories	€ 8.808.632	€ 10.161.546	€ (1.352.914)	-13,3%
Credits	€ 5.295.398	€ 5.644.440	€ (349.042)	-6,2%
Cash	€ 1.894.233	€ 2.546.442	€ (652.209)	-25,6%
Current liabilities	€ 5.388.986	€ 6.451.657	€ (1.062.671)	-16,5%
Medium/long-term liabilities	€ 3.915.926	€ 5.703.806	€ (1.787.880)	-31,3%
Net equity	€ 9.601.369	€ 9.811.974	€ (210.605)	-2,1%
Net financial position	€ (2.115.281)	€ (3.964.581)	€ 1.849.300	46,6%

Grants for investment, innovation and R&D

During 2024, the company continued its research and development activities, carrying on with the operations already started in previous years and also directing its efforts towards new projects. For the development of these, Giordano Controls obtained government subsidies amounting to approximately €229.449, corresponding to the R&D&IT tax credit.

Contributions €

	2024	% revenues	2023	% revenues	Δ 24-23	Δ % 24-23
Contributions and subsidies received	229.449	1,4%	371.49	2,2%	-142.04	-38,2%
POR-FESR R&D contributions	0	0,0%	19.804	0,1%		
R&D tax credit and Industry 4.0	229.449	1,4%	333.45	2,0%		

Tax credit on tangible/intangible assets	0	0,0%	18.242	0,1%		

Transparent tax approach

Giordano Controls recognises its social role not only in terms of employment, but also in terms of the taxes it pays on the value it generates. Tax payment is a key component of corporate social responsibility, which is demonstrated through compliance with tax and legislative regulations. The company is committed to complying with the tax legislation of the country in which it operates, ensuring that the spirit and purpose of the regulations are always respected.

When tax regulations give rise to interpretative doubts or difficulties in application, Giordano Controls adopts a reasonable interpretation, using external advisors and maintaining constructive dialogue with the tax authorities. This approach ensures transparency and full compliance with local regulations, with particular attention to compliance and regulatory changes.

Tax control governance is handled by the Administrative Manager, who, with the help of trained staff and outside advisors, makes sure tax stuff is done right and rules are followed. Requests from tax authorities are handled in a transparent and constructive way.

In 2024, Giordano Controls didn't have any tax disputes or issues.

Transfer Pricing Documentation (TP)

Giordano Controls S.p.A. has prepared transfer pricing documentation for the 2023 tax period, in accordance with the principle of non-competition set forth in Article 110, paragraph 7, of the Italian Tax Code (Tuir). The TP documentation includes the Master File, which collects information on the multinational group, and the Local File, containing data on intra-group transactions of the local entity.

The main purpose of transfer pricing documentation is to demonstrate that transactions between associated companies comply with the arm's length principle. This is achieved through the correct definition of the characteristics of the transactions and the identification of any comparable entities.

Innovation, quality and sustainability in products and services

Research & Development and Innovation

Technological innovations, market demands, the need to develop solutions for customer needs, new regulations and competition with competitors make it necessary t**o continuously invest in research and development of new ideas and products** or in improving and adapting existing products of previous generations to new requirements.

For this reason, Giordano Controls has established a network of contacts with external partners, universities, research centres and professionals in order to acquire new knowledge and technological skills. This collaboration is reflected in research and development projects aimed at creating innovative products and solutions that can meet customer needs.

Innovation is an essential skill for organisations that want to succeed in a constantly changing world.

Innovation management requires the ability to understand and respond to changing conditions, identify new opportunities and leverage the knowledge and creativity of internal staff and external partners.

The goal of innovation is to create value for the organisation. This value can be tangible, such as the creation of new products or services, or intangible, such as process improvement or knowledge sharing.

In particular, the aim is to:

- gather insights and ideas from within the organisation, involving employees and stimulating their creativity
- seek solutions externally, collaborating with universities, research centres, associations, clusters, companies and start-ups.

These activities are essential to ensuring the company's competitive advantage and contributing to its sustainable growth.

Giordano Controls has always been committed to innovation. Its products are designed to improve operational performance and reliability, ensure user well-being, reduce environmental impact and provide customers with greater production and energy efficiency.

Particular attention is focused on user friendliness, ergonomics and reducing energy consumption. The high degree of integration between electronics, software and mechanical elements makes the products intelligent, collaborative and integrated.

Giordano Controls' technology and product development roadmap has been adapted to follow national and European guidelines towards decarbonisation, focusing on increasingly green and sustainable products and systems:

- more efficient gas boilers and therefore less harmful emissions
- use of green fuels such as hydrogen
- intelligent hybrid systems that use the most convenient energy source

- heat pumps

Giordano Controls' capacity for innovation is a strategic factor in the company's success, enabling it to maintain its leading position in the market. Giordano Controls employs a team of 25 highly trained technicians and engineers (graduates in engineering and computer science and electronic/electrical professionals) with extensive knowledge in their field.

The technicians are employed in research, development and technological innovation activities for both hardware and software, using a large, modern laboratory for product testing and validation in a healthy, safe and cutting-edge environment.

The Giordano Controls R&D laboratory is equipped with the main instruments and equipment for product research and development, product validation, including advanced simulation technologies for verification and testing in a controlled environment, verification of compliance with all mandatory and non-mandatory characteristics in terms of reliability, quality, adequacy of electrical characteristics and electromagnetic compatibility, as well as expertise in the development of product testing systems.

Distinctive features of the laboratory:

- equipment and tools for simulating heating systems for fine-tuning electronic controls for boilers and for checking combustion with a multi-gas system
- equipment and tools for FMEA testing on products and systems
- climatic chamber for reliability testing under extreme temperature and humidity conditions
- instrumentation required by regulations for EMC and electrical safety compliance testing
- data acquisition tools for data mining activities
- devices and jigs for microcontroller software simulation and emulation

The company holds 20 independent patents, which have contributed to the development of innovative and cutting-edge technological solutions. These patents cover a wide range of technologies, including:

- Smart and interactive controls
- Solutions for energy consumption reduction
- Technologies for environmental sustainability

Quality

With the aim of offering high quality standards to its customers, since 2012 Giordano Controls has adopted a Quality Management System certified according to the international standard **ISO 9001** for the design, manufacture and marketing of electronic, electrical and electromechanical power supply, control, measurement and regulation equipment, as well as automatic control and safety systems and equipment; lighting technology, home automation, energy management, gas, oil and biomass burners; related IT devices, hardware and software.

The main company processes and activities are formalised in a document management system managed by the Quality department, which is responsible for overseeing and ensuring the functioning of a process-based approach, with the ultimate aim of facilitating information sharing, eliminating organisational barriers and working to ensure that cross-functional processes and activities are well defined and regulated, with a clear identification of roles and responsibilities.

On 27-28 February 2025, a recertification audit of the management system according to ISO 90001:2015 was carried out by DNV Business Assurance Italy S.r.l. with a more than satisfactory outcome, as no non-conformities or significant observations were found.

The Quality department manages most of the monitoring of company indicators for continuous improvement, interacting constantly with all other company departments and, in specific cases, directly with suppliers and customers..

GIORDANO CONTROLS

Technology and Wellness, a Better Future

ENVIRONMENT

orkli Group

Relationship with the environment

The approach to environmental management

To address the current challenging climate and energy situation, Giordano Controls plays a **key role** in increasing efficiency, promoting renewable energy sources and reducing consumption and dependence on fossil fuels. **Adopting a sustainable development model** means aiming for continuous improvement of the environment and people's quality of life, while preserving that of future generations. To contribute to a sustainable growth model that focuses on environmental issues, Giordano Controls promotes internal initiatives based on its **Sustainability Policy**, aimed at reducing waste and contributing to the ambitious goal set by the European Union of achieving climate neutrality by 2050. Preserving our planet is not only a priority that we recognise internally through our direct activities, but also a fundamental principle that we promote on a daily basis through our business relationships.

As a strategic supplier to leading companies in the heating, combustion, environmental thermoregulation and alternative energy resources sectors, which are key areas in the fight against climate change, including both global warming caused by greenhouse gas emissions and the resulting large-scale changes in weather patterns, **Giordano Controls is also actively involved in energy efficiency initiatives, reducing carbon dioxide levels (decarbonisation) and investing in the identification of innovative solutions for the integration of renewable energy sources (hybrid systems) and the development of products capable of using alternative fuels to natural gas (hydrogen and biomethane)**.

With regard to the use of water resources, Giordano Controls does not consider this to be a material issue, as these resources are not used in production processes, but only for sanitary purposes.

Giordano Controls has set itself the goal of having an environmental certification system in accordance with ISO 14001 by 2026.

In 2024, no significant non-conformities were identified as a result of external or internal audits and all minor findings or opportunities for improvement were successfully managed and closed. Giordano Controls has not incurred any fines or non-pecuniary penalties for non-compliance with environmental laws and/or regulations.

Efficient resource and waste management

Efficient **energy** management is key, together with energy production from renewable sources, in combating climate change. The geopolitical events of recent years, with the resulting energy crisis, have highlighted how sensitive this issue is. The lack of energy raw materials has made it necessary to pay particular attention to this aspect in order to limit its consequences.

Giordano Controls therefore recognises the fundamental importance of energy efficiency and is committed to constantly monitoring its consumption, continually seeking new ways to reduce it.

The following table shows general energy consumption, which includes not only electricity consumption but also consumption related to the use of petrol, diesel and methane gas.

Internal Energy Consumption

Source	um	2024	2023	2022	2021	um	2024	2023	2022	2021
Natural gas	smc	27.304	29.470	33.657	32.638	GJ	1.099	1.182	1.338	1.296
Electricity	kWh	111.690	107.391	216.542	183.178	GJ	402	387	780	659
Diesel fuel	litro	2.537	5.430	7.175	6.735	GJ	96	205	274	257
Petrol	litro	4.355	3.613	2.613	1.231	GJ	148	123	89	42
Total						GJ	**1.745**	**1.897**	**2.481**	**2.255**

It is important to measure energy intensity in relation to revenue generated and the company's workforce.

Internal Energy Consumption and Indicators

Source	um	2024	2023	2022	2021	% 24-23	% 23-22	% 22-21
Total energy consumption	GJ	1.745	1.897	2.481	2.255	-8%	-24%	-8%
Energy intensity (revenue)	GJ/million €	115	116	90	107	-1%	30%	-1%
Energy intensity per employee (ULA)	GJ/ employee	30	29	38	43	5%	-25%	5%

In 2024, Giordano Controls' total energy consumption amounted to 1.745 GJ, marking an **8% reduction** compared to 2023 and continuing the trend of progressive efficiency already begun in previous years. A comparison with 2022 shows an overall decrease of 30% over the two-year period, confirming the effectiveness of the measures adopted to reduce energy consumption and improve operational efficiency.

Energy intensity relative to revenues, i.e., energy consumption per million euros generated, amounted to 115 GJ/million euros, slightly down from 116 GJ/million euros in 2023 (-1%), but still higher than the 2022 level. This figure reflects, on the one hand, the reduction in consumption and, on the other, a trend in revenues that has influenced the ratio between energy used and economic value produced.

Energy intensity per employee (ULA) increased in 2024, rising from 29 to 30 GJ per equivalent work unit (+5%), following a sharp decline in 2023. This increase can be interpreted as the result of a consolidation of production and logistics activities, at a time when the company maintained a stable workforce but launched new projects and investments in innovation, including the upgrade of the company's heating system, which has been operational since the end of 2024.

Overall, the 2024 energy data confirm the effectiveness of the consumption reduction strategy and introduce a recalibration phase, with further improvements expected for 2025, thanks in part to the contribution of new efficiency technologies that have been implemented.

With regard to **waste** management, the company is committed to managing waste in accordance with legislation, seeking to minimize waste production and ensuring the traceability of its delivery to authorized disposal companies. The aim is to optimize the recovery of materials rather than simply disposing of them, in order to reduce environmental impact.

The focus on efficient waste management is reflected in both production and waste management, following a process of continuous monitoring from production to final disposal. This also involves intermediate waste management operators, who are subject to adequate supervision.

Waste generated	u. m.	2024		2023		2022		2021	
		hazardous	non-hazardous	hazardous	non-hazardous	hazardous	non-hazardous	hazardous	non-hazardous
Recovery	kg	26	15.105	35	16.075	247	39.490	94	61.483
Disposal	kg	1.749	0	15	0	2.033	33	250	0
Total	kg	**1.775**	**15.105**	**50**	**16.075**	**2.280**	**39.523**	**344**	**61.483**

Treatment method	non-hazardous		hazardous	
	recovery	disposal	recovery	disposal
2021	100,0%	0,0%	27,3%	72,7%
2022	99,9%	0,1%	10,8%	89,2%
2023	100,0%	0,0%	70,0%	30,0%
2024	100,0%	0,0%	1,5%	98,5%

Over the last few years, Giordano Controls has undertaken a review and dematerialisation of all its processes, resulting in numerous measures aimed at reducing paper use. To this end, the number of multifunction printers in the company has been reduced to the bare minimum, and in 2023, the number of pages printed began to be monitored (2023: 79.093; 2024: 71.500; a reduction of approximately 10%) in order to set a reduction target for subsequent years.

Climate change (emissions CO_2eq)

The Paris Agreement sets an ambitious goal for the global climate: to build a **net-zero emissions** economy by 2050, capable of achieving so-called **climate neutrality**. This means that greenhouse gas emissions will have to be completely offset by natural or

technological absorption and sequestration actions, so that the net emissions balance is zero.

In this context, companies that want to position themselves as responsible and proactive players in the ecological transition must **commit to reducing and, progressively, eliminating their emissions**, not only direct emissions but also those along the entire value chain. Giordano Controls has made this commitment an integral part of its strategic vision, acting on multiple levels to make a concrete contribution to global decarbonisation goals.

In 2024, our approach to **emissions management** continued to be twofold. On the one hand, we continue to **monitor and reduce our direct emissions (Scope 1) and indirect emissions from purchased energy (Scope 2)** through efficiency measures, plant upgrades and process optimisation (at the end of 2024, the new hybrid company heating system, with a heat pump and high-efficiency boilers, was completed). On the other hand, we have consolidated the **second year of Scope 3 emissions estimates**, expanding the scope of carbon footprint analysis and laying the foundations for increasingly comprehensive and accurate reporting of emissions throughout the entire life cycle of our products and services.

At the same time, we are aware of the added value that our systems bring in terms of sustainability for our customers. Our technological solutions help r**educe emissions generated by end applications**, offering concrete tools for energy efficiency, intelligent plant management and the integration of cleaner sources.

Acting on our direct footprint and, at the same time, enabling the reduction of others' footprints is the lever with which we want to generate a positive and lasting impact, for the benefit of the environment and future generations.

The following table shows the **company's direct Scope 1** and **indirect Scope 2 greenhouse gas (GHG) emissions.**

Direct greenhouse gas (GHG) emissions (Scope 1)

Source	um	2024	2023	2022	2021
Natural gas	tonnes of CO_2eq	55,8	60,1	68,0	66,0
Diesel fuel	tonnes of CO_2eq	6,4	13,6	18,4	16,9
Petrol	tonnes of CO_2eq	9,1	7,6	5,6	2,7
Total	**tonnes of CO_2eq**	**71,3**	**81,3**	**92,0**	**85,6**

Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2) location-based

Source	um	2024	2023	2022	2021
Purchased electricity	tonnes of CO_2eq	24,3	27,7	67,0	50,1
Total Scope 2 location-based	**tonnes of CO_2eq**	**24,3**	**27,7**	**67,0**	**50,1**

Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2) market-based

Source	um	2024	2023	2022	2021
Electricity purchased from non-renewable sources	tonnes of CO_2eq	35,2	33,9	50,6	47,3
Total Scope 2 market-based	**tonnes of CO_2eq**	**35,2**	**33,9**	**50,6**	**47,3**

Scope 1 and Scope 2 greenhouse gas (GHG) emissions

The following table shows the **total Scope 1 and Scope 2** location-based and market-based GHG emissions and the intensity of emissions in relation to the company's revenues and workforce. These indicators are important for monitoring the progress of activities planned within the organisation for energy efficiency and carbon footprint reduction.

Scope 1 and Scope 2 greenhouse gas (GHG) emissions and indicators

	um	2024	2023	2022	2021	Δ % 24-23	Δ % 23-22	Δ % 22-21
TOTAL Emissions location-based	tonnes of CO_2eq	**95,6**	109,0	159,0	135,7	-12,3%	-31,4%	17,2%
TOTAL Emissions market-based	tonnes of CO_2eq	**106,5**	115,2	142,6	132,9	-7,5%	-19,2%	7,3%
Location-based emissions intensity relative to revenue	tonnes of CO_2eq/millions of €	**6,29**	6,68	5,74	6,42	-5,8%	16,5%	-10,6%
Location-based emissions intensity per employee (ULA)	tonnes of CO_2eq/ employee	**1,65**	1,64	2,43	2,59	0,2%	-32,3%	-6,4%
Market-based emissions intensity relative to revenue	tonnes of CO_2eq/millions of €	**7,01**	7,06	5,15	6,29	-0,7%	37,2%	-18,1%
Market-based emissions intensity per employee (ULA)	tonnes of CO_2eq/ employee	**1,84**	1,74	2,18	2,54	5,7%	-20,2%	-14,3%

Notes on Scope 1 and Scope 2 emissions calculations

Electricity and natural gas consumption values are derived from bills and invoices. Consumption from hydrogen tanks and other mixed gases for laboratory use has not been taken into account as it is considered insignificant in relation to the total.

The Enea conversion factor of 3,6 MJ/kWh was used for energy consumption.

The conversion factors used to convert the different energy quantities into GJ are taken from the DEFRA (UK Department for Environment, Food and Rural Affairs) database for the respective years (2021, 2022, 2023, 2024).

The emission factors used to calculate Scope 1 tCO_2eq are taken from the UK Government GHG Conversion Factors for Company Reporting database for the respective years made available by DEFRA (UK Department for Environment, Food and Rural Affairs).

The two location-based and market-based approaches provided for in the GHG Protocol were adopted to calculate Scope 2 emissions.

For the calculation of Scope 2 emissions, with regard to the location-based calculation method, Report 413/2025 published by ISPRA and the emission factors developed by

ISPRA and made available in the file FE_energia_elettrica_2024-v1.xlsx were used; the estimates for 2024 were developed by ISPRA based on TERNA data (Monthly Report on the Electricity System, December 2024).

For the market-based calculation method, the "European Residual Mix" emission factor published by the AIB (Association of Issuing Bodies) in 2023 was used.

For the calculation of Scope 2 emissions, using the market-based approach, the main emission factor is the residual mix, i.e. the energy mix that remains when Guarantees of Origin are excluded. In practice, the residual mix represents the national energy mix without renewable energy. According to the composition of the energy mix used to produce the electricity sold by A2A Energia to Giordano Controls, 36,96% comes from renewable sources for 2023, which we have also maintained for 2024 as the data is not currently available.

The data in the tables for previous years has sometimes been updated based on new information made available after the previous report was published.

The company correctly manages the operation and maintenance of systems and equipment containing F-gases (fluorinated refrigerant gases) in order to prevent them from escaping into the atmosphere and thus limit the resulting greenhouse effect, although this certainly has a rather limited and negligible impact in terms of greenhouse effect compared to the organisation's energy-intensive operations.

Indirect Scope 3 greenhouse gas (GHG) emissions

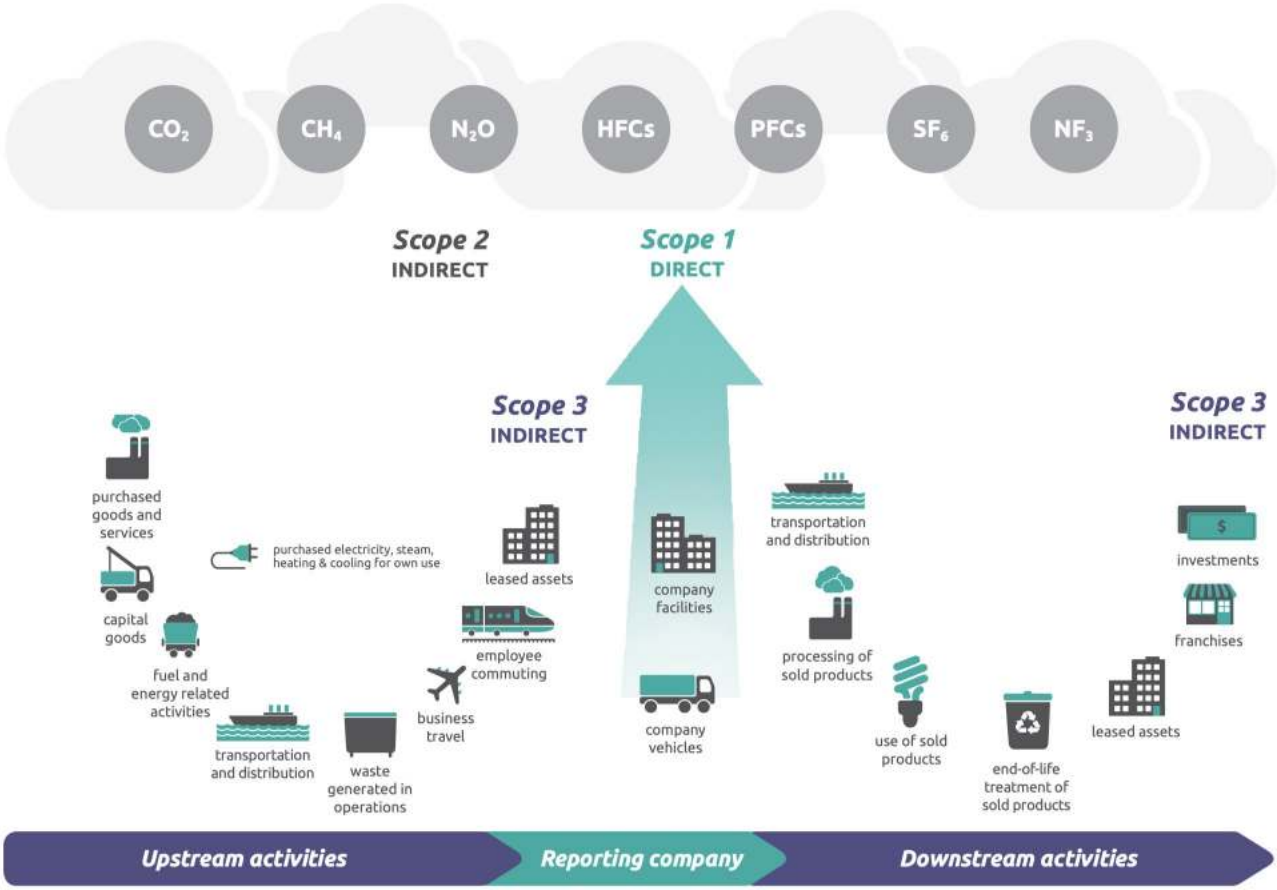
The analysis and estimation of **Scope 3 indirect greenhouse gas (GHG) emissions**, which began in the previous year, continued in 2024. This is a complex and evolving process, which has led to the development of an **estimate of Scope 3 emissions** based on currently available data, and which will be progressively refined and updated in future annual reports.

Scope 3 emissions include all indirect emissions related to business activities but not included in Scope 1 and 2, such as those arising from upstream and downstream activities in the supply chain, the use of products sold, or logistics. Extending the analysis to Scope 3 makes it possible to map the carbon footprint of the entire value chain, assess the overall impact of the organisation more accurately and identify the levers on which to act for a more effective decarbonisation strategy.

In line with the **GHG Protocol**, the most relevant Scope 3 indirect emission categories for Giordano Controls were considered and estimated, with the aim of consolidating transparent, measurable and useful reporting over time to guide strategic choices oriented towards sustainability.

The following image shows the 15 distinct **Scope 3 reporting categories** and also illustrates how Scope 3 relates to Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of electricity, steam, heating and cooling purchased and consumed by the reporting company).

Overview of the Scopes of application of the GHG protocol and emissions along the value chain



Scope 3 covers all other indirect emissions that occur in a company's value chain. The 15 categories of Scope 3 are designed to provide companies with a systematic framework for measuring, managing and reducing emissions along the corporate value chain. The categories are designed to be mutually exclusive, to prevent a company from double counting emissions across categories.

Giordano Controls has identified the Scope 3 activities that are expected to produce the most significant greenhouse gas emissions and are therefore **most relevant to the company's objectives**. For this reason, the following Scope 3 categories have been considered:

- Category 1 Purchased goods and services
- Category 2 Capital goods
- Category 4 Upstream transportation and distribution
- Category 5 Waste generated in operations
- Category 6 Business travel
- Category 7 Employee commuting

- Category 9 Downstream transportation and distribution
- Category 11 Use of sold products

With regard to Category 12, End-of-life treatment of sold products, i.e. the disposal and treatment of waste products sold at the end of their life cycle, this reporting item has not been considered, as the type of disposal by the end consumer is unknown. It should also be noted that the Waste from Electrical and Electronic Equipment (WEEE) Directive is in force for electrical and electronic waste, requiring separate collection and proper treatment of WEEE and setting targets for its collection, recovery and recycling. We reserve the right to verify this data in future editions of the report.

Indirect greenhouse gas (GHG) emissions along the value chain (Scope 3)

Category	Cost 2024	conversion factor 2024	Emissions 2024	Cost 2023	conversion factor 2023	Emissions 2023
Purchase of goods and services (Category 1)	Euros	kg CO_2eq/€	tonnes of CO_2eq	Euros	kg CO_2eq/€	tonnes of CO_2eq
Electronics distributors	€5.547.271,02	0,0964	534,76	€8.682.902,03	0,0935	811,85
Printed circuit board manufacturing	€ 472.321,00	0,1138	53,75	€ 560.000,00	0,1104	61,82
Electronic assembly	€2.608.974,02	0,1173	306,03	€2.516.721,52	0,1138	286,40
R&D services	€ 250.864,40	0,1811	45,43	€ 359.320,19	0,1757	63,13
Testing laboratory services	€ 93.850,15	0,1196	11,22	€ 116.412,69	0,116	13,50
Hosting (including rentals and leases)	€ 152.910,74	0,108	16,51	€ 172.948,21	0,1048	18,12
Packaging	€ 3.704,69	0,5559	2,06	€ 3.465,82	0,5394	1,87
IT products and support	€ 4.447,13	0,0859	0,38	€ 7.503,59	0,0834	0,63
Consumables	€ 32.884,57	0,1672	5,50	€ 28.412,01	0,1622	4,61
Professional advisory and supervisory services	€ 161.530,09	0,0906	14,63	€ 169.864,77	0,0879	14,93
Legal, payroll and tax advisory services	€ 79.484,60	0,0627	4,98	€ 83.280,83	0,0609	5,07
Maintenance of plant, machinery and buildings	€ 90.299,59	0,1579	14,26	€ 74.159,54	0,1532	11,36

Category	Cost 2024	conversion factor 2024	Emissions 2024	Cost 2023	conversion factor 2023	Emissions 2023
Assurances	€ 89.576,92	0,0337	3,02	€ 69.856,54	0,0327	2,28
Capital goods (Category 2)	Euros	kg CO_2eq/€	tonnes of CO_2eq	Euros	kg CO_2eq/€	tonnes of CO_2eq
Machinery and equipment (including hire and leasing)	€ 357.888,97	0,1335	47,78	€ 414.392,81	0,1295	53,66
Mould manufacturing	€ 67.500,00	0,3041	20,53	€ 80.780,00	0,2951	23,84
Motor vehicles (including hire or leasing)	€ 68.523,15	0,1277	8,75	€ 58.122,30	0,1239	7,20
Upstream and downstream transport and distribution (Category 4 and Category 9)	Euros	kg CO_2eq/€	tonnes of CO_2eq	Euros	kg CO_2eq/€	tonnes of CO_2eq
Transport - air	€ 44.613,30	0,7474	33,34	€ 24.538,36	0,7252	17,80
Transport - land	€ 210.578,72	0,6905	145,40	€ 258.377,03	0,6701	173,14
Transport - marine	€ 30.363,88	0,947	28,75	€ 12.807,33	0,9189	11,77
Waste generated by activities (Category 5)	Euros	kg CO_2eq/€	tonnes of CO_2eq	Euros	kg CO_2eq/€	tonnes of CO_2eq
Waste management services	€ 4.442,20	1,1466	5,09	€ 2.731,50	1,1126	3,04
Business Travel (Category 6)	Euros	kg CO_2eq/€	tonnes of CO_2eq	Euros	kg CO_2eq/€	tonnes of CO_2eq
Plane	€ 13.742,13	0,7474	10,27	€ 13.712,50	0,7252	9,94
Train	€ 837,34	0,6569	0,55	€ 1.064,50	0,6374	0,68
Taxis, motorways, car parks	€ 8.760,45	0,6569	5,75	€ 8.501,51	0,6374	5,42
Car rental	€ 328,28	0,1277	0,04	€ 598,37	0,1239	0,07
Hotel	€ 27.106,23	0,1683	4,56	€ 20.765,05	0,1633	3,39
Restaurant services	€ 32.332,60	0,2252	7,28	€ 31.356,90	0,2185	6,85
Commuting and teleworking (Category 7)			tonnes of CO_2eq			tonnes of CO_2eq
Survey			54,00			70,00

Category	Cost 2024	conversion factor 2024	Emissions 2024	Cost 2023	conversion factor 2023	Emissions 2023
Total			**1.385**			**1.682**
Use of sold products (Category 11)	quantity	kg CO_2eq/ KWh10a	tonnes of CO_2eq	quantity	kg CO_2eq/ KWh10a	tonnes of CO_2eq
HMI, thermostats, gateways	70.131	85,778	6.015,69	91.925	101,743	9.352,73
Burner controls	68.214	762,470	52.011,16	60.270	904,382	54.507,13
Boiler devices	337.009	190,618	64.239,85	316.086	226,096	71.465,65
Total Product Use			122.267			135.326
Total Normalised Product Use			**114.091**			**135.326**

Notes on Scope 3 emissions calculations

The development of a Scope 3 inventory strengthens companies' understanding of greenhouse gas emissions in their value chain, as a step towards effectively managing emissions-related risks and opportunities and reducing greenhouse gas emissions in the value chain.

For the quantification of indirect Scope 3 greenhouse gas (GHG) emissions, the spend-based methodology was adopted, in accordance with the GHG Protocol – Corporate Value Chain (Scope 3) Standard, while for guidance on Scope 3 emissions calculation methodologies, we followed the methods outlined in the Technical Guidance for Calculating Scope 3 Emissions (version 1.0) document for the relevant categories indicated above.

This approach involves multiplying the economic costs incurred by the organisation for specific categories of goods and services by the corresponding unit emission factors expressed in kg CO_2eq per monetary unit (USD).

The emission factors used are derived from the US Environmental Protection Agency (US EPA) Emission Factors Hub, 2022 edition, publically available on the agency's website. EPA data represent average values per sector and are used in the absence of primary or specific information from suppliers.

In order to ensure consistent application of EPA factors with the organisation's currency and reference period, the following corrections and normalisations have been made:

- **Conversion of factors from USD to EUR using the average annual exchange rate for 2022 (source: European Central Bank);**
- **Monetary adjustment of costs to constant prices, with correction for inflation using the harmonised indices of consumer prices (HICP) published by Eurostat, in order to obtain a more representative estimate of emissions for the years 2023 and 2024;**
- **The methodology was applied to a wide range of cost categories belonging to different value chains (e.g. business travel, transport, services, IT goods, insurance, packaging, plant maintenance, etc.)**.

It should be noted that, although the spend-based approach is useful for the initial estimation and monitoring of Scope 3 emissions, it involves some inherent uncertainties, as the emission factors represent sector averages and do not reflect the specific characteristics of individual suppliers or processes.

To calculate Category 7 emissions relating to commuting between home and work, the Distance-based method was applied, which involved collecting data from employees on their commuting patterns (e.g. distance travelled and mode of transport used) through a survey and applying appropriate emission factors for the modes used. In this category, we also considered emissions from teleworking (smart working). The emission factors are those taken from the UK Government GHG Conversion Factors for Company Reporting database for the respective years, made available by DEFRA (UK Department for Environment, Food and Rural Affairs).

In Category 11, companies may also account for indirect emissions from the use phase of the products sold, and should do so when indirect emissions from the use phase are expected to be significant. Considering that our products are intermediate (components for HVAC applications) and that the end use cannot be precisely defined because there may be multiple potential applications, each with a different emissions profile, we are unable to reasonably estimate the downstream emissions associated with these end uses (which should be estimated by the manufacturers) and have therefore decided to exclude indirect emissions from the use phase of the products. Instead, we considered and estimated the electricity consumption of the products sold in the reference year, assuming an average lifespan of 10 years with no connected loads. We grouped the quantities sold according to average electricity consumption values and used the emission factors produced by ISPRA and made available in the FE_energia_elettrica_2024 -v1.xlsx file relating to energy consumption used for Scope 2 location-based reporting (the local scope of application of the products is unknown, so the emissions value was calculated as if the products were installed in Italy). Products that do not intrinsically consume energy and, even when connected, have very limited consumption, such as probes and sensors, were excluded from the inventory of products sold.

As can be seen in the table above, emissions corresponding to **Category 11 Use of Sold Products** are the highest, making the other items insignificant in absolute terms.

For this reason, we have divided the Scope 3 inventory into two parts, keeping the total emissions related to the life cycle of the products sold separate. These emissions have been normalised with respect to the quantity sold, calculating the emission intensity per functional unit. The data has then been reported on a constant volume basis (base year 2023) in order to ensure comparability between years with the same sales volume.

Product use: emission intensity and intensity rating

	um	2024	2023
HMI, thermostats, gateways	tonnes of CO_2eq	0,086	0,102
Burner controls	tonnes of CO_2eq	0,762	0,904
Boiler devices	tonnes of CO_2eq	0,191	0,226
Intensity rating		**84**	**100**

Relationship with suppliers

Responsible supply chain management

Supply chains are the driving power behind the global economy, which is why we believe that taking conscious action to ensure our supply chain is robust and high-quality, managing the risks and opportunities associated with our supplies, not only guarantees business continuity for the company but also has a positive impact on the economy. Promoting sustainable initiatives in the management of our supply chain therefore contributes to large-scale socio-economic development and creates shared value. However, there are also many potential negative impacts that a company like ours could have on the environment and people.

In order to prevent such impacts, in our role as a global player, we ask and require that our business partners, including our suppliers (mainly suppliers of goods and services, advisors and professionals), adopt the same approach as us in carrying out their activities and that, in addition to ensuring the necessary quality standards, they adopt **best practices in the areas of human rights and working conditions, health and safety, and environmental responsibility**.

Starting in 2024 and over the next few years, we intend to implement a standardised qualification and management process to verify that our suppliers meet quality and sustainability requirements. Each phase will be carried out with the aim of incorporating corporate objectives, business strategies and sustainability policies, defining the optimal purchasing criteria for each supplier category. These rules are based on transparency and fairness, convenience and cost-effectiveness, and are identified on the basis of objective assessments of quality, price, innovation, reliability, integrity, competitiveness, sustainability and performance in the provision of services.

Specifically, during the supplier qualification phase and when placing an order or entering into a contract, the supplier must declare that they have read and understood the contents of the Code of Ethics and the Organisation, Management and Control Model, undertaking to comply with the principles set out therein and with the general principles of the United Nations Global Compact relating to labour management and human rights. As part of Environmental Sustainability - Climate Change (CO_2 emissions) - the Carbon Footprint of suppliers will be measured, starting with strategic suppliers. Giordano Controls reserves the right to audit the Supplier in order to verify compliance with the above principles.

The intention is to implement the **Sustainable Procurement Policy and Supplier Code of Conduct**, which aims to promote sustainable procurement practices throughout the entire supply chain and defines a set of guidelines and principles that establish the ethical, behavioural and compliance standards that suppliers must adhere to when interacting with Giordano Controls. Through this Policy, Suppliers are required to recognise and adopt the same principles and ensure compliance throughout the entire supply chain with regard to:

- Legal compliance: suppliers must comply with all applicable laws, regulations and standards in the territories in which they operate, including those relating to health and safety, child labour, human rights, the environment, competition and anti-corruption.

- Business ethics: suppliers must commit to conducting their business with integrity, honesty and transparency, avoiding fraudulent or deceptive practices.
- Human rights and labour: suppliers must respect the fundamental human rights of their employees, including the prohibition of child labour, respect for freedom of association and fair and non-discriminatory treatment of all employees.
- Environment: suppliers must adopt sustainable practices to reduce the environmental impact of their activities, complying with environmental regulations and constantly seeking to improve their environmental performance.
- Health and safety: suppliers must provide a safe and healthy working environment for their employees, implementing accident prevention measures and providing the necessary training to ensure safety in the workplace.
- Supply chain management: suppliers must promote ethical practices within their supply chain, ensuring that their sub-suppliers respect the same ethical and compliance standards.
- Quality, transparency and accountability: suppliers must meet quality requirements and be transparent in their activities, providing accurate and complete information to Giordano Controls and actively collaborating to resolve any issues or disputes that may arise in a timely and flexible manner.
- Innovation: suppliers must promote innovation and the search for improved technical solutions.
- Information security and privacy: suppliers must protect the security and integrity of data and information exchanged in all their use and storage.

Compliance with and acceptance of the Policy is a necessary condition for establishing and maintaining a business relationship with Giordano Controls.

During 2024, Giordano Controls had relationships with 231 suppliers of primary materials (components), subsidiaries and consumables, for a total turnover of approximately €6.100.000, while there were 7 suppliers of technical assistance and consulting services for an amount of approximately €86.200.

Procurement of materials and services

	um	2024	2023	Variation 24-23
Material suppliers	number	231	218	13
Value of materials procurement	€	€ 6.087.449	€9.304.951	-35%
Value of R&D consulting services	€	€ 86.259	€ 248.261	-65%
Value of external manufacturing services	€	€ 2.608.974	€2.516.722	4%

The goal for the following year is to reduce the number of component suppliers for the same turnover, while for technical consulting service providers, the goal is to increase the

skills of the Technical Office to reduce access to external services, including through the introduction of new resources.

For external manufacturing services, the activity linked to the Romanian subsidiary RESET is predominant, with total production and warehouse management costs of approximately €2.500.000 directly linked to sales value.

The supplier selection process is carried out through clear, certain and non-discriminatory procedures, using objective, documentable and transparent parameters linked to the quality of the products and services offered. Giordano Controls develops contractual relationships with suppliers that have characteristics that guarantee a good degree of reliability and efficiency. For each purchase, the company requests and compares multiple offers through an evaluation and selection process involving suppliers deemed suitable. The supplier is chosen by the department leader based on technical, qualitative and economic criteria, with the assistance of other relevant company departments.

Suppliers of primary materials (components), subsidiaries and consumables are evaluated by the procurement and quality managers on the basis of certain reference parameters extracted quarterly from the company's management system, indicating flexibility in making the material available, reliability in the quantities delivered, reliability of delivery and adherence to delivery dates.

Reset is verified through continuous monitoring of the manufacturing process by analysing the percentage of positive tests from the first attempt at production line testing (First Pass Yield) data made available in real time by Giordano Controls.

GIORDANO CONTROLS

Technology and Wellness, a Better Future

SOCIAL

Relationship with employees

Labour management and human rights

Giordano Controls considers labour management and respect for human rights throughout the value chain to be fundamental elements of its sustainable development. We are committed to supporting human rights and strongly reject any form of discrimination, including those based on gender, sexual orientation, age, ethnicity, language, religion, politics, and social or personal status. Our working conditions comply with the high standards imposed by Italian law to ensure the well-being of our employees with a view to continuous improvement. All company employees are covered by the Metalmeccanici' Collective Agreement.

In managing its human capital, Giordano Controls applies the principles of the United Nations Global Compact relating to labour management and human rights, summarised as follows:

- Support for freedom of association and recognition of collective bargaining
- Elimination of all forms of forced and compulsory labour
- Abolition of child labour
- Elimination of discrimination in employment and occupation

- Promotion and respect for universally recognised human rights within their respective fields of influence
- No complicity in human rights violations

In order to guarantee fair, safe, accessible and sustainable working conditions and environments for its employees over time, it is essential to maintain an effective industrial relations system. Over the years, Giordano Controls has built a successful dialogue with trade union representatives in order to find the best solutions to match the needs of individuals with those of the company, guaranteeing every employee a transparent working relationship and full protection of their rights, regardless of the type of contract applied.

The system of relations between the company and employee representatives provides for regular meetings during which the company's economic and financial performance is analysed, as well as specific issues such as health and safety at work (analysing accidents, near misses, processes for improving working conditions, other human rights issues), professional training and skills development.

Employee information

Workforce composition by gender

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Women	29	35	39	30	-17,1%	-10,3%	30,0%
% women	47,5%	53,0%	52,7%	51,7%			
Men	32	31	35	28	3,2%	-11,4%	25,0%
% men	52,5%	47,0%	47,3%	48,3%			
Total 31/12	**61**	**66**	**74**	**58**	**-7,6%**	**-10,8%**	**27,6%**

Workforce composition by professional category and age

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Total 31/12	61	66	74	58	-7,6%	-10,8%	27,6%
Rest of the workforce	23	30	32	25	-23,3%	-6,3%	28,0%
Under 30 years old	3	6	6	4	-50,0%	0,0%	50,0%
% under 30 years old	13,0%	20,0%	18,8%	16,0%			
Between 30 and 50 years old	13	16	22	19	-18,8%	-27,3%	15,8%
% between 30 and 50 years old	56,5%	53,3%	68,8%	76,0%			
Over 50 years old	7	8	4	2	-12,5%	100,0%	100,0%
% over 50 years old	30,4%	26,7%	12,5%	8,0%			
Office workers	33	31	37	27	6,5%	-16,2%	37,0%
Under 30 years old	9	8	12	7	12,5%	-33,3%	71,4%
% under 30 years old	27,3%	25,8%	32,4%	25,9%			

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Between 30 and 50 years old	22	21	22	18	4,8%	-4,5%	22,2%
% between 30 and 50 years old	66,7%	67,7%	59,5%	66,7%			
Over 50 years old	2	2	3	2	0,0%	-33,3%	50,0%
% over 50 years old	6,1%	6,5%	8,1%	7,4%			
Executive positions	5	5	5	6	0,0%	0,0%	-16,7%
Under 30 years old	0	0	0	0	-	-	-
% under 30 years old	0,0%	0,0%	0,0%	0,0%			
Between 30 and 50 years old	2	2	3	4	0,0%	-33,3%	-25,0%
% between 30 and 50 years old	40,0%	40,0%	60,0%	66,7%			
Over 50 years old	3	3	2	2	0,0%	50,0%	0,0%
% over 50 years old	60,0%	60,0%	40,0%	33,3%			

Workforce composition by professional category and gender

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Total 31/12	61	66	74	58	-7,6%	-10,8%	27,6%
Rest of the workforce	23	30	32	25	-23,3%	-6,3%	28,0%
Women	17	23	25	18	-26,1%	-8,0%	38,9%
% women	73,9%	76,7%	78,1%	72,0%			
Men	6	7	7	7	-14,3%	0,0%	0,0%

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
% men	26,1%	23,3%	21,9%	28,0%			
Office workers	33	31	37	27	-16,2%	-16,2%	37,0%
Women	11	11	13	10	0,0%	-15,4%	30,0%
% women	33,3%	35,5%	35,1%	37,0%			
Men	22	20	24	17	10,0%	-16,7%	41,2%
% men	66,7%	64,5%	64,9%	63,0%			
Executive positions	5	5	5	6	0,0%	0,0%	-16,7%
Women	1	1	1	2	0,0%	0,0%	-50,0%
% women	20,0%	20,0%	20,0%	33,3%			
Men	4	4	4	4	0,0%	0,0%	0,0%
% men	80,0%	80,0%	80,0%	66,7%			

Types of contract

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Permanent	56	52	50	48	7,7%	4,0%	4,2%
% permanent	91,8%	78,8%	67,6%	82,8%			
Temporary	5	14	24	10	-64,3%	-41,7%	140,0%
% temporary	8,2%	21,2%	32,4%	17,2%			
Total 31/12	**61**	**66**	**74**	**58**	**-7,6%**	**-10,8%**	**27,6%**
Working day							
Full-time	55	59	67	52	-6,8%	-11,9%	28,8%
Part-time	6	7	7	6	-14,3%	0,0%	16,7%
Total 31/12	**61**	**66**	**74**	**58**	**-7,6%**	**-10,8%**	**27,6%**

Composition of contract type by gender, age and professional category

	2024			2023			2022			2021			variation % 24-23			variation % 23-22			variation % 22-21		
Total 31/12	56	5	6	52	14	7	50	24	7	48	10	6	7,7%	-64,3%	-14,3%	4,0%	-41,7%	0,0%	4,2%	140,0%	16,7%
	Permanent	**Temporary**	**Part-time**	**Permanent**	**Temporary**	**Part-time**	**Permanent**	**Temporary**	**Part-time**	**Permanent**	**Temporary**	**Part-time**	**Permanent**	**Temporary**	**Part-time**	**Permanent**	**Temporary**	**Part-time**	**Permanent**	**Temporary**	**Part-time**
By gender																					
Women	28	1	6	28	7	7	23	16	7	24	6	6	0,0%	-85,7%	-14,3%	21,7%	-56,3%	0,0%	-4,2%	166,7%	16,7%
% women	50,0%	20,0%	100,0%	53,8%	50,0%	100,0%	46,0%	66,7%	100,0%	50,0%	60,0%	100,0%									
Men	28	4	0	24	7	0	27	8	0	24	4	0	16,7%	-42,9%	-	-11,1%	-12,5%	-	12,5%	100,0%	-
% men	50,0%	80,0%	0,0%	46,2%	50,0%	0,0%	54,0%	33,3%	0,0%	50,0%	40,0%	0,0%									
By age																					
Under 30	7	5	0	4	10	0	7	11	0	6	5	0	75,0%	-50,0%	-	-42,9%	-9,1%	-	16,7%	120,0%	-
% under 30	12,5%	100,0%	0,0%	7,7%	71,4%	0,0%	14,0%	45,8%	0,0%	12,5%	50,0%	0,0%									
Between 30 and 50	37	0	5	36	3	6	34	13	6	36	5	5	2,8%	-100,0%	-16,7%	5,9%	-76,9%	0,0%	-5,6%	160,0%	20,0%
% between 30 and 50	66,1%	0,0%	83,3%	69,2%	21,4%	85,7%	68,0%	54,2%	85,7%	75,0%	50,0%	83,3%									
Over 50	12	0	1	12	1	1	9	0	1	6	0	1	0,0%	-100,0%	0,0%	33,3%	-	0,0%	50,0%	-	0,0%
% over 50	21,4%	0,0%	16,7%	23,1%	7,1%	14,3%	18,0%	0,0%	14,3%	12,5%	0,0%	16,7%									
By professional category																					
Rest of the workforce	23	0	3	24	6	4	19	13	3	18	7	3	-4,2%	-100,0%	-25,0%	26,3%	-53,8%	33,3%	5,6%	85,7%	0,0%
% rest of the workforce	41,1%	0,0%	50,0%	46,2%	42,9%	57,1%	38,0%	54,2%	42,9%	37,5%	70,0%	50,0%									
Office workers	18	5	3	23	8	3	26	11	4	24	3	3	-21,7%	-37,5%	0,0%	-11,5%	-27,3%	-25,0%	8,3%	266,7%	33,3%
% office workers	32,1%	100,0%	50,0%	44,2%	57,1%	42,9%	52,0%	45,8%	57,1%	50,0%	30,0%	50,0%									
Executives	5	0	0	5	0	0	5	0	0	6	0	0	0,0%	-	-	0,0%	-	-	-16,7%	-	-
% executives	8,9%	0,0%	0,0%	9,6%	0,0%	0,0%	10,0%	0,0%	0,0%	12,5%	0,0%	0,0%									

Workforce turnover by gender, age and professional category*

	2024	2023	2022	2021	2024%	2023%	2022%	2021%
Total 31/12	8	8	6	3	13,1%	12,1%	8,1%	5,2%
By gender								
Women	6	3	4	2	9,8%	4,5%	5,4%	3,4%
Men	2	5	2	1	3,3%	7,6%	2,7%	1,7%
By age								
Under 30	2	4	4	0	3,3%	6,1%	5,4%	0,0%
Between 30 and 50	5	3	2	3	8,2%	4,5%	2,7%	5,2%
Over 50	1	1	0	0	1,6%	1,5%	0,0%	0,0%
By professional category								
Rest of the workforce	7	2	4	2	11,5%	3,0%	5,4%	3,4%
Office workers	1	6	1	1	1,6%	9,1%	1,4%	1,7%
Executives	0	0	1	0	0,0%	0,0%	1,4%	0,0%

* Employees leaving the organisation

Average annual wage *

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
By gender							
Women	€31.403,40	€25.630,97	€ 27.995,83	€28.879,50	22,5%	-8,4%	-3,1%
Men	€47.383,39	€46.932,63	€ 46.444,42	€45.211,75	1,0%	1,1%	2,7%
By age							
Under 30	€29.434,65	€26.391,08	€ 24.098,96	€25.102,43	11,5%	9,5%	-4,0%
Between 30 and 50	€38.766,02	€34.318,59	€ 36.861,28	€36.761,60	13,0%	-6,9%	0,3%
Over 50	€53.284,07	€49.545,80	€ 61.236,76	€58.160,24	7,5%	-19,1%	5,3%

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
By professional category							
Rest of the workforce	€30.437,89	€23.506,75	€ 27.573,55	€26.514,87	29,5%	-14,7%	4,0%
Office workers	€39.010,90	€37.818,23	€ 35.851,88	€36.156,79	3,2%	5,5%	-0,8%
Executives	€87.907,21	€94.885,58	€101.703,81	€82.201,48	-7,4%	-6,7%	23,7%

* Updated values from previous years

Wage gap

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
By gender							
Gross wage (€/hour) women	23,38	22,55	19,39	20,14	3,7%	16,3%	-3,7%
Gross wage (€/hour) men	30,66	28,98	29,24	28,32	5,8%	-0,9%	3,2%
Ratio	**23,7%**	**22,2%**	**33,7%**	**28,9%**			

Employees with disabilities by professional category and gender

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
For the rest of the workforce							
Women	0	0	0	0	-	-	-
Men	0	0	0	0	-	-	-
For office workers							
Women	2	2	2	2	0,0%	0,0%	0,0%
Men	0	0	0	0	-	-	-

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
For executive positions							
Women	0	0	0	0	-	-	-
Men	0	0	0	0	-	-	-

Welfare

Giordano Controls cares about the wellbeing and quality of life of its employees and is committed to designing concrete actions to improve employee satisfaction and the internal climate, developing numerous initiatives in the area of corporate **welfare**. The establishment of a good welfare plan is a way to reward and retain employees, as well as make the company more attractive to new candidates and ensure the proper management of internal relations, improving the working environment.

As part of the company welfare plan for all workers, employees and managers, in June 2024, as provided for in the Metalmeccanici' Collective Agreement, each worker was given the opportunity to convert the company performance bonus due each year into flexible benefits (€200 gift card). Considering the special measures issued by the Italian government to deal with the energy crisis, which raised the value of fringe benefits to €1.000 for all employees and €2.000 for employees with dependent children (exclusively in the form of goods and services), it was possible to use the economic value to purchase fuel bonuses of €100 for each employee.

In addition, specific working hours are provided for homogeneous categories of workers employed in operations, as well as flexibility in starting and finishing times for the office workers.

Giordano Controls' remuneration policy is based on incentive schemes designed to recognise the commitment and merits of its employees, while promoting a sense of belonging, attracting excellent resources from outside and aligning the interests of staff with the objectives of creating sustainable value for shareholders in the medium to long term. For 2024, performance bonuses were paid upon achievement of contractually agreed targets for a gross amount of €5.000.

In terms of welfare, it should be noted that all employees are covered by the Metasalute supplementary insurance plan provided by Giordano Controls for the compensation of expenses incurred as a result of accident or illness.

Parental leave is available and valid for both permanent and temporary employees, full-time and part-time: in 2024, one employee took advantage of this type of leave.

In addition, one employee took advantage of special leave.

In the area of teleworking (smart working) management, a specific agreement was drawn up between the company and employees to set out the management procedures, which was signed by 40 employees concerned.

As part of the involvement of students in work-study programmes and internships, in 2024 the company took on 5 interns/trainees to work in its offices in support of specific activities. In the manufacturing sector, it is usual to hire a very limited number of temporary workers (none in 2024) to support production activities in order to adapt to the seasonal nature of the products. The corresponding data have not been included in the statistics.

For this type of worker not covered by collective agreements, the organisation determines their working conditions and terms of employment on the basis of the collective agreement covering other employees.

Health and safety at work

Giordano Controls is strongly committed to the health and safety of its employees. The company adopts preventive and improvement measures based on technological development to ensure a safe working environment. All activities comply with occupational health and safety regulations and the Code of Ethics.

Giordano Controls implements safety procedures, assigns specific responsibilities and promotes a culture of safety. Employees are provided with the correct personal protective equipment and are offered ongoing training on its correct use and safety practices.

The company is committed to keeping employees informed about workplace risks and ensuring that they are able to take the necessary measures to protect themselves and others. Training also covers the safe use of new technologies, as the company is committed to keeping pace with technological developments and taking appropriate measures to ensure employee safety.

In general, Giordano Controls is committed to creating a safe working environment, promoting the health and well-being of its employees and implementing best practices for the prevention of accidents and occupational diseases.

The company is supervised by an external **RSPP** (**Responsabile del Servizio Prevenzione e Protezione - Head of Prevention and Protection Service**) who is responsible for updating the **DVR** (**Documento di Valutazione dei Rischi - Risk Assessment Document**), carrying out checks, holding regular meetings and conducting evacuation tests.

The company adopts a risk assessment policy based on the preliminary identification of tasks or homogeneous groups of employees for each of which potential hazards have been identified. For each homogeneous group, an analysis of accidents and any relevant issues (e.g. particularly serious or frequent accidents) is then carried out, with a subsequent assessment of the intrinsic risk and the preventive measures already in place. Possible corrective actions are identified and the residual risk is then assessed. Each task or homogeneous group is analysed in detail using a checklist.

The company plans to implement the Occupational Health and Safety Management System in accordance with the international standard UNI ISO 45001:2018 by 2025-2026.

During the 2024 financial year, with over 88.408 hours worked, no accidents or occupational illnesses were recorded, either at work or while commuting.

During the year, protection and prevention measures were reinforced through specific training and the adoption of an intranet platform that collects and makes available all information relating to the company's Health, Safety and Prevention System. This platform is accessible to all employees and authorised external persons (RSPP, Labour Doctor).

Health and safety data by gender

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Hours actually worked	88.408	89.985	111.920	87.727	-1,8%	-19,6%	27,6%
Women	38.949	39.788	56.320	43.023	-2,1%	-29,4%	30,9%
Men	49.459	50.197	55.600	44.704	-9,7%	-9,7%	24,4%
Accidents without sick leave (including commuting)	0	0	0	0	-	-	-
Women	0	0	0	0	-	-	-
Men	0	0	0	0	-	-	-
Accidents resulting in sick leave (excluding commuting)	0	0	0	0	-	-	-
Women	0	0	0	0	-	-	-
Men	0	0	0	0	-	-	-
Accidents resulting in sick leave (while commuting)	0	0	1	0	-	100,0%	100,0%
Women	0	0	1	0	-	100,0%	100,0%
Men	0	0	0	0	-	-	-
Days lost due to injury (excluding commuting)	0	0	0	0	-	-	-
Women	0	0	0	0	-	-	-
Men	0	0	0	0	-	-	-
Accident frequency index (excluding commuting)	0,00	0,00	0,00	0,00	-	-	-
Women	0,00	0,00	0,00	0,00	-	-	-
Men	0,00	0,00	0,00	0,00	-	-	-
Accident incidence rate (excluding commuting)	0,00	0,00	0,00	0,00	-	-	-
Women	0,00	0,00	0,00	0,00	-	-	-
Men	0,00	0,00	0,00	0,00	-	-	-
Accident severity index (excluding commuting)	0,00	0,00	0,00	0,00	-	-	-
Women	0,00	0,00	0,00	0,00	-	-	-
Men	0,00	0,00	0,00	0,00	-	-	-
Number of work-related illnesses	0	0	0	0	-	-	-
Women	0	0	0	0	-	-	-

	2024	2023	2022	2021	variation % 24-23	variation % 23-22	variation % 22-21
Men	0	0	0	0	-	-	-
Number of deaths following accidents at work	0	0	0	0	-	-	-
Number of accidents at work with serious consequences	0	0	0	0	-	-	-
Percentage of absenteeism	3,29%	2,59%	3,45%	2,90%			
Hours of absenteeism	2.909	2.330	3.862	2.543	24,8%	-39,7%	51,9%

Human capital development

People are Giordano Controls' most important asset, and the company is constantly committed to their protection, development and enhancement. Personal growth occurs through constant collaboration and cooperation in an inclusive and international environment that encourages the exchange of ideas, the sharing of opinions and experiences, and the development of multidisciplinary skills. Investment in training and resource development is of strategic importance to ensure the constant growth of knowledge and skills at all levels.

From 2023, employees can use MetApprendo, a portal dedicated to companies and workers for the effective management of the training process. MetApprendo was created to support companies and workers in exercising their subjective right to training, as provided for in the National Collective Labour Agreement of 5 February 2021. The signatory parties, Federmeccanica, Assistal, Fim Cisl, Fiom Cgil and Uilm Uil, requested a one-off contribution that led to the creation of the MetApprendo Association and subsequently the portal of the same name.

The MetApprendo portal allows the training process to be managed through a management system, offers a Learning Management System (LMS) and allows the training of workers to be planned and recorded in a digital dossier based on Blockchain technology. This dossier will follow the worker in the event of a change of employment. The portal contains a catalogue of training courses, known as "pills", which can be consulted by all registered employees, who can also request an assignment through the Human Resources leader.

In addition, the portal includes a record of all completed training courses, thus creating a complete training dossier that also includes courses taken in the past. There are planned to provide workers with access to other e-learning systems for additional training courses beyond those offered by MetApprendo, which will also be recorded here.

In 2024, the training courses covered both specific topics and health and safety (both general and specific to employees' duties), for a total of approximately 680 hours of training delivered.

In 2024, the training courses covered both specific topics and health and safety (both general and specific to employees' duties), for a total of approximately 680 hours of

training provided, corresponding to an average of approximately 11 hours of training per person.

During the onboarding process, new hires are encouraged to familiarise themselves with topics related to Legislative Decree 231/2001 (Organisation, Management and Control Model and Code of Ethics) and the Whistleblowing Procedure adopted by the company following the entry into force of Legislative Decree No. 24 of 10 March 2023 via the company intranet platform (Microsoft Sharepoint) or the documentation available.

Diversity and inclusion

The approach

At Giordano Controls, we are committed to eliminating all forms of discrimination by developing an inclusive culture to create a work environment where every individual feels respected and valued for their uniqueness.

The company promotes a culture in which all employees are encouraged to develop new ideas and drive innovation. We also work to increase talent attraction, staff retention and strengthen the sense of belonging within the company. Conducts for managing equity, diversity and inclusion are at the heart of all our activities, from recruiting to covering the entire employee lifecycle within the company, so that everyone can feel valued and make their own contribution.

In 2024, there were no reports of discrimination within the company.

Internal communication and engagement

For Giordano Controls, establishing and maintaining dialogue involving all internal stakeholders is of fundamental importance. The company works continuously and strategically towards the following objectives:

- Ensure transparency in business and organisational decisions, communicating them in a timely and intentional manner
- Maintain high morale and motivation among employees, encouraging their active involvement and supporting their sense of belonging to the company

At least once a year, the Chairman organises a meeting to which all employees are invited to share the latest results in terms of business and company performance, strategic choices and future developments, commenting on ongoing activities and leaving time for employees to ask questions.

For senior management, a meeting is also held, normally on a monthly basis, to evaluate and discuss the economic and financial results for the previous months, with a comparative review of the budget and any critical issues. Here too, there is a space dedicated to questions from employees.

With the aim of creating strong relationships within the work teams and promoting mutual understanding as a precursor to smooth collaboration, during 2024, social gatherings were organised during the Christmas holidays and a special event was held in the company garden with a barbecue and music: the "GC BBQ Party".

Customer relations

Adaptation and satisfaction of customer needs

Giordano Controls' success is directly linked to the quality of the services and operations it provides to help customers meet new challenges, solve problems and make the most of opportunities that arise for their business.

Having strong relationships with our customers means establishing a relationship of mutual trust and high added value and building competitive advantage together, thus helping to meet the broader needs of the global market. Making our customers' businesses more sustainable is not only in line with our strategic objectives, but is also a broader achievement in creating a better world.

The heating and air conditioning market is a constantly evolving industry that deals with the production and distribution of heating/cooling and air conditioning systems for homes, commercial and industrial buildings. The particularities of this sector are linked to the need to provide customised solutions for each type of environment, taking into account the specific needs of customers.

The main challenges facing the market sector concern energy efficiency, reducing greenhouse gas emissions and finding renewable energy sources. In addition, growing demand for high-tech heating systems and the rapid development of digital technologies are radically changing the way manufacturers operate and compete in the market.

In particular, customers in the heating market sector have very different needs, depending on the type of environment to be heated and their personal preferences. Some customers are looking for economical and simple solutions, while others want highly customised and technologically advanced heating systems.

More and more customers are also sensitive to environmental issues and are looking for solutions that use renewable energy sources or have a low environmental impact. These needs are driving manufacturers to develop increasingly innovative and sustainable solutions.

Traditional heating systems often use a lot of energy and produce high greenhouse gas emissions, contributing to climate change. For this reason, more and more manufacturers are investing in research and development of low-energy, high-efficiency solutions.

However, the adoption of these solutions can be difficult due to high costs and consumer resistance to change. In addition, the complexity of modern heating systems requires highly skilled personnel for installation and maintenance, further increasing costs for customers.

Renewable energy sources, such as solar and geothermal energy, through the adoption of heat pumps, are becoming increasingly popular in the heating market sector: the European Community is identifying this technology as the only solution for decarbonisation in the residential sector without considering the issues of installation, higher costs and the existence of other sustainable solutions that also use other innovative technologies.

Furthermore, it is often not taken into account that the availability of these renewable energy sources can vary depending on geographical location, making it difficult to use these solutions in some parts of the world.

Digital technologies, such as artificial intelligence and the Internet of Things (IoT), are revolutionising the heating market. Manufacturers are developing smart, connected heating systems that can automatically monitor and adjust room temperatures according to user preferences.

On the other hand, there is a need to ensure data security and customer privacy protection: the complexity of digital heating systems requires highly qualified personnel for installation and maintenance, further increasing costs for customers.

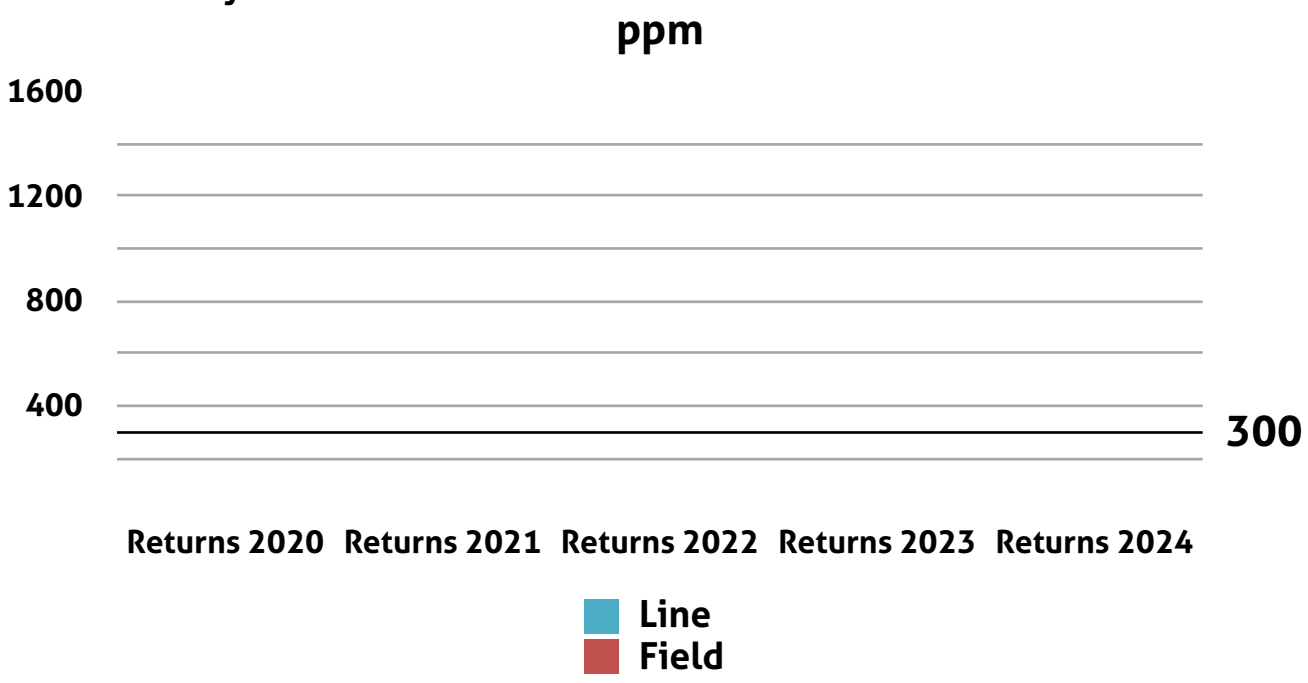
The heating market sector is therefore facing numerous challenges, but also opportunities for growth and innovation.

Giordano Controls is aware that the future of the sector will be characterised by increasingly sustainable, efficient and customised solutions that are technologically advanced, capable of meeting customer needs and contributing to the fight against climate change. For this reason, it is ready to offer its technological expertise, adapting its ability to create innovative solutions to achieve the objectives of the transition to carbon neutrality and net zero emissions.

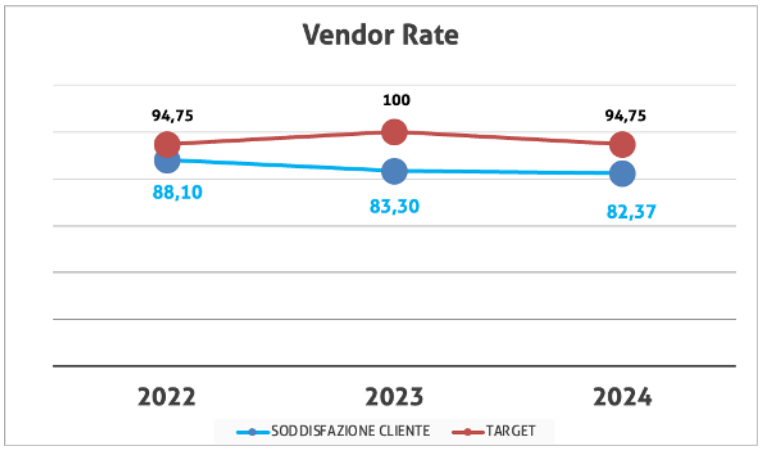
The company monitors the defect rate of products sold from the production line (line) or from the installation site (field). Below are the data monitored in recent years, highlighting the defect limit target expressed in ppm (parts per million), which we have set at 300 for returns from the field.

Below are the data relating to customer satisfaction ratings (vendor rates) based on quality, logistics service, supply costs, expertise and continuous improvement activities, obtained through the administration of specific questionnaires.

The data for recent years are subject to revision following analysis of new customer returns.



data updated in February 2025 subject to change based on the timing of customer returns management



Vendor Rate Values	
90/100	EXCELLENT
80/89	GOOD
70/79	SUFFICIENT
40/69	INSUFFICIENT
20/39	SERIOUSLY INSUFFICIENT
0/19	UNACCEPTABLE

Privacy and cyber security

Giordano Controls pays the utmost attention to ensuring data protection and privacy for all its stakeholders and, in particular, for customers who place their trust in the company's ability to protect their data.

The company acts in accordance with the current regulatory framework governing the processing of personal data, including the General Data Protection Regulation "GDPR" (EU Regulation No. 2016/679). This regulation, based on the principle of accountability, makes each personal data controller responsible for implementing regulatory, organisational and technological measures to respond adequately, on the basis of a risk-based approach, to the regulatory principles of the GDPR.

During 2024, no reports or proven incidents were recorded concerning privacy violations or data loss involving customers, employees or other parties.

Giordano Controls gives fundamental importance to the protection of assets and information that constitute the company's information heritage. Through careful management of cyber security issues, Giordano Controls has adopted a policy of continuous evolution and growth aimed at preserving the availability, integrity and confidentiality of data, as well as the continuity of services provided and protection against fraud.

Within Giordano Controls' organisational structure, the IT Department periodically carries out analysis and attack simulations with the aim of identifying any vulnerabilities or gaps that need to be addressed in order to mitigate and minimise the associated risks. In addition, starting in 2023, a risk assessment and remediation process will be carried out at regular intervals in relation to ICT and cybersecurity issues.

The main risks identified and managed by the company include: risk of incorrect data processing, phishing and fraud risk, and malware risk. These risks are managed through the adoption of specific platforms and technological infrastructures to protect data, digital identities and infrastructures, as well as continuous information and training for employees.

In accordance with Directive NIS2 2022/2555 on cybersecurity, implemented in Italy by Legislative Decree No. 138/2024, Giordano Controls, already registered in the register prepared by the National Cybersecurity Agency (ACN) and identified as 'Important' in relation to the legislation and the type of entity, must adopt technical, operational and organisational measures that are adequate and proportionate to the management of risks to the security of the information and network systems that such entities use in their activities or in the provision of their services, as well as to prevent or minimise the impact of incidents in accordance with the programme set out in the implementing decree.

Relationship with the community

Engagement in local communities

Giordano Controls interfaces with institutions, training bodies and organisations active in the local area, striving to generate opportunities in the various local contexts in which it operates. Committed to promoting social and cultural initiatives, it favours collaborations aimed at supporting training and the local area, paying particular attention to projects aimed at young people and culture. Believing in the value of continuous training, it promotes participatory dialogue with institutions, universities, training schools and national and international research centres and, with their contribution, develops projects of common interest to encourage young people to enter the world of work.

Over the past year, the company has contributed to the transformation of the current development model by disseminating knowledge, skills, lifestyles, and sustainable production and consumption systems in line with ESG principles at all levels (company, suppliers, local communities, institutions).

Giordano Controls has supported social, cultural and scientific initiatives by making donations and contributions and collaborating with national and international institutions and non-profit organisations. The main initiatives pursued by the company are aimed at

training young people to ensure they acquire the necessary skills and have healthy and safe places to study and gain experience, as well as developing the local culture and the area in which it operates.

In particular, Giordano Control sponsored the event called "Estate al Fioroni 2024" (Summer at Fioroni 2024), held at Palazzo Fioroni and the Archaeological Environmental Centre in Legnago (VR), organised by the Fioroni Foundation.

In 2024, the company continued to co-finance the PhD scholarship in Artificial Intelligence organised by Sapienza University of Rome and the University of Verona. The research project focuses on: ARTIFICIAL INTELLIGENCE METHODS FOR PREDICTIVE MAINTENANCE AND PROACTIVE MONITORING OF HYBRID SYSTEMS FOR HEATING AND HVAC APPLICATIONS.

Furthermore, as part of its commitment to supporting deserving young people, the company has decided to make a generous contribution of €16.000 available to the University of Verona for the award of a two-year scholarship.

The scholarship is reserved for a student who is a citizen of a non-European Union country, not resident in an EU country, enrolled in the Master's Degree Course in Artificial Intelligence for the academic years 2024/2025 and 2025/2026 at the University of Verona.

Social network activities

Giordano Controls is present on the main social networks with dedicated channels where it is committed to providing updates to its stakeholders on news and activities and to providing assistance regarding its products and services.

Below are the figures relating to the number of followers of each social media profile, updated on 14/07/2025:

Facebook	454
Youtube	26
Instagram	167
LinkedIn	4.060

Giordano Controls' LinkedIn channel has gained 566 new followers in the last 365 days thanks to its proactive adoption as a tool for brand reputation and awareness. Other social media channels continue to be important sources of inspiration, including visual inspiration, and for updates on new products.

Approval

The Directors are responsible for preparing and identifying the contents of this Report, taking into account the company's activities and characteristics and to the extent necessary to ensure understanding of Giordano Controls' activities, performance, results and impact.

This Sustainability Report, as well as the responsibility for adopting and supervising the Sustainability Policy, is the Board of Directors' responsibility, assisted in the management of activities and monitoring of the achievement of objectives by the Innovation Strategy function.

The **2024 Sustainability Report** was approved by the Board of Directors of Giordano Controls on 04/09/2025.

Annex 1 GRI content index

Declaration of use

Giordano Controls has submitted a report in accordance with GRI Standards for the period 1/01/2024 - 31/12/2024.

Used GRI 1

GRI 1 - Fundamental Principles - 2021 version

Relevant GRI sector standards

Not applicable

GRI Standard	Reference	Pages	Notes
GRI 2 General Information version 2021	2-1 Organisational details	9, 11-13	
	2-2 Entities included in the organisation's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	6, 7, 67	
	2-4 Review of information	7	
	2-5 External verification	6	Not subject to external verification
	2-6 Activities, value chain and other business relationships	9-14, 45-47, 61-63	There have been no substantial changes in the value chain compared to the previous financial year
	2-7 Workers	49-55	
	2-8 Non-employed workers	56, 57	
	2-9 Governance structure and composition	11-13	
	2-15 Conflicts of interest	12	Organisation, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001
	2-16 Communication of critical issues	20-23	
	2-22 Statement on sustainable development strategy	4, 5, 18	
	2-23 Policy commitment	14-21	
	2-25 Processes aimed at remedying negative impacts	18-23	
	2-26 Mechanisms for requesting clarification and raising concerns	11, 12, 18-23	
	2-27 Compliance with laws and regulations	11-14	
	2-28 Association membership	9	
	2-29 Approach to stakeholder engagement	17, 18	

GRI Standard	Reference	Pages	Notes
	2-30 Industrial agreements	49, 56, 57	
GRI 3 Material topics 2021	3-1 Process for determining material topics	18-21	
	3-2 List of material topics	21	
	3-3 Management of material topics	19-21, Report	For each material topic described in the report, information on management is provided within the individual section
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	24,25	
	201-4 Financial support received from the government	26	
GRI 205 Anti-corruption 2016	205-3 Confirmed incidents of corruption and measures taken	13, 14	In 2023, there were no cases of corruption
GRI 207 Taxes 2019	207-1 Approach to taxes	27	
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	33	
	302-3 Energy intensity	33	
GRI 305 Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	35-38	
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	35-38	
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	38-44	
	305-4 Greenhouse gas (GHG) emissions intensity	33	
	305-5 Reduction of greenhouse gas (GHG) emissions	35	In 2024, heating system revamp
GRI 306 Waste 2020	306-1 Waste generation and significant impacts related to waste	34, 35	
	306-2 Management of significant impacts related to waste	34, 35	
	306-3 Waste generated	34	
GRI 401: Employment 2016	401-1 Recruitment of new employees and workforce turnover	50-54	
	401-2 Benefits for full-time employees that are not available to fixed-term or part-time employees	56, 57	
GRI 402 Management of labour and trade union relations 2016	402-1 Minimum notification periods for operational changes	49	The minimum notification period is defined in the National Collective Labour Agreement.
GRI 403 Health and safety at work 2018	403-1 Health and safety management system	57-59	
	403-2 Hazard identification, risk assessment and accident investigation	57-59	
	403-3 Professional health services	57-59	
	403-4 Employee participation and consultation on occupational health and safety programmes and related communication	18-23, 49	
	403-5 Employee training on health and safety at work	59	

GRI Standard	Reference	Pages	Notes
	403-9 Accidents at work	57-59	
	403-10 Professional disease	58, 59	
GRI 404 Training and education 2016	404-1 Average number of training hours per year per employee	59	
	404-2 Employee skills upgrading and transition assistance programmes	59, 60	
GRI 405 Diversity and equal opportunities 2016	405-1 Diversità negli organi di governance e tra i dipendenti	60	
	405-2 Ratio of basic wage and salary of women compared to men	55	
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	60	
GRI 407 Freedom of association and collective bargaining 2016	407-1 Activities and suppliers where the right to freedom of association and collective bargaining may be at risk	45-47, 49	
GRI 408 Child labour 2016	408-1 Activities and suppliers presenting a significant risk of child labour incidents	45-47, 49	
GRI 409 Forced or compulsory labour 2016	409-1 Activities and suppliers presenting a significant risk of forced or compulsory labour	45-47, 49	
GRI 413 Local communities 2016	413-1 Local community engagement, impact assessments and development programmes	65, 66	
GRI 414 Social assessment of suppliers 2016	414-1 New suppliers that have been selected using social criteria	45-47	
GRI 416 Customer health and safety 2016	416-2 Non-compliance incidents relating to the health and safety impacts of products and services		During 2024, the company did not record any cases of non-compliance related to the health and safety impacts of products and services.
GRI 418 Customer privacy 2016	418-1 Complaints regarding violations of customer privacy and loss of customer data are established	63, 64	