



**ISOCLIMA**

**Sustainability Report**

**2022**

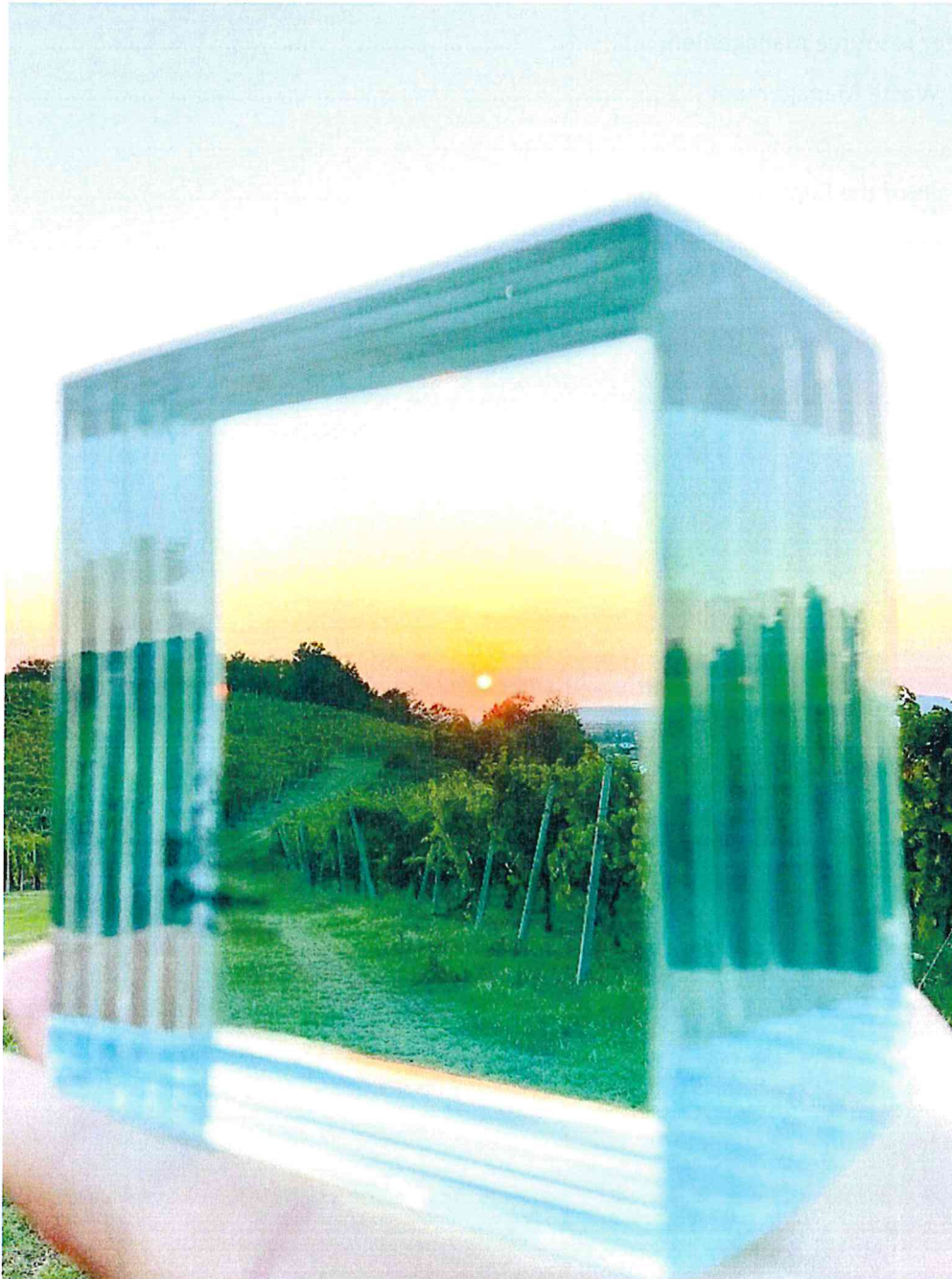
**Isoclima SpA**

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# 1. Introduction



## 1.1 Letter to stakeholders

For over 45 years, the Isoclima Group has always stood out for its ability to innovate and for the intrinsic sustainability of its products.

Over the years, in fact, through courageous initiatives characterized by a strong pioneering spirit, Isoclima has introduced numerous new solutions on the market, often anticipating the expectations of its customers.

For the second year we have drawn up this Report, which for us goes beyond a simple summary, because it constitutes an important moment of analysis and an opportunity for sharing.

During 2022, Isoclima Group strengthened the sustainability path undertaken through important recognitions, in the environmental field, with obtaining the validation of its model for calculating the Carbon footprint of the *product* in compliance with ISO 14067, and through the certification of the Carbon footprint of the *organization* according to ISO 14064-1; these acknowledgments lay the foundations for launching a *low-carbon transition* path in a structured manner which constitutes the main strategic project for the company for the next few years.

Isoclima S.p.A. also confirms some particularly significant results for 2022, such as the high percentage of recycled waste, over **90%**. At the same time, important projects were launched to increase the use of renewable energies, such as the plant for the production of electricity through **1,541 kW** photovoltaic panels installed in the Lipik plant (Croatia).

As part of the development of local communities, Isoclima has started collaborations with *non-profit* organizations, which have seen the involvement of dozens of employees and their families, in activities aimed at the artistic and cultural growth of the people who are part of the community in which the company operates.

Finally, the activities in collaboration with local schools deserve a separate mention: projects dedicated to increasing students' knowledge on some highly topical issues have been launched with high schools, both in Italy and in Croatia and in Mexico, through which Isoclima has provided elements that help students complete their schooling and at the same time improve their ability to enter the working world.

I wish everyone happy reading!

Paolo Cavallari

Chief Executive Officer

## 1.2 The view of the shareholder

### **Interview with Stirling Square Capital Partners**

“Since its inception, Stirling Square has remained steadfast in its unwavering commitment to delivering exceptional value to investors while upholding the highest standards of integrity and responsibility towards our investees and society. As active and long-term investors, we fully recognize the significance of acknowledging and addressing sustainability issues. We firmly believe that adopting a robust and comprehensive approach is not only vital for mitigating the impacts of our business operations on the environment and society but also for fostering the growth of resilient and profitable companies for the future. By integrating environmental, social, and governance (ESG) considerations into every facet of our business, we can ensure enhanced access to capital, attract and retain top-tier talent, and fortify our resilience against economic shocks. Our unwavering dedication to sustainable practices underpins our overarching mission to create enduring value and create meaningful effects on the world around us.

Our mindset and approaches are embodied in Isoclima. With a diverse and global customer base, it specializes in providing products that are essential to various users. From protective solutions for civil and military vehicles to high-spec frames for helicopter and train cockpits, to large structural transparent surfaces for marine vessels and protective glass for embassies, schools and penitentiary facilities, the company’s products represent a unique combination of advanced technical craftsmanship and sophisticated materials. In this era of progress, we acknowledge that glass has transcended its traditional role as a mere transparent barrier. It has evolved into an integral component responsible for ensuring the safety and well-being of users in land, marine and air applications. Leveraging its extensive complex materials design and manufacturing, Isoclima continuously pushes the boundaries of what glass can achieve, delivering exceptional and innovative products. The recognition and appreciation of Isoclima’s customers as a leading innovator serve as a true inspiration for all its stakeholders.

In addition to their remarkable product innovation, sustainability lies at the core of Isoclima's strategic roadmap. The company has implemented robust ESG governance, fortified by strong management systems and well-defined ESG objectives. Isoclima aims to further enhance its product development by diligently applying life-cycle analyses and eco-design concepts. Furthermore, it proactively measures its greenhouse gas emissions and regularly explores opportunities to reduce energy consumption and achieve decarbonization.

Isoclima's unwavering commitment to excellence and sustainability represents an ongoing journey, with much yet to be accomplished. As responsible investors, we at Stirling Square are wholeheartedly dedicated to supporting Isoclima throughout this endeavour. Together, we strive to forge a path of progress and drive positive change, knowing that our collective efforts will yield value for everyone.”

Pierre Klemas

Chief Sustainability Officer

Stirling Square Capital Partners

### 1.3 Methodological notes

This Sustainability Report covers the fiscal year 2022 (from 1 January to 31 December) and was prepared in compliance with the “GRI Sustainability Reporting Standards” defined by Global Reporting Initiative, “*In Accordance*” option, in line with the update published in 2021.

A number of detailed tables relating to the GRI indicators have been included in the Appendix to this document, as well as the “GRI Content Index”, an index of the contents reported in accordance with the GRI, with references to their positioning in the Report and any omissions.

In addition to the criteria listed above, the Sustainability Report has been prepared in accordance with a specific internal procedure set up by the Group<sup>1</sup>, which is subject to annual review (last update, July 2022). This procedure describes the activities required to design, implement, approve, disseminate and present the Report, as well as the roles and responsibilities associated with same. One of the goals of this procedure is to report information that is meaningful to stakeholders following the principles expressed in the GRI standards in terms of: balance, comparability, accuracy, timeliness, clarity and reliability.

The economic and financial data and information is drawn from the consolidated annual financial statements of the Isoclima Group as of 31 December 2022, and includes the asset purchased from Dlubak Specialty Glazing Corporation, G.A.G. LLC (hereinafter “Dlubak Specialty Glazing Corporation”) and Global Security Glazing LLC (hereinafter “Global Security Glazing”) through the newcos Isoclima US Holdings Inc. and Isoclima Specialty Glass LLC (a 100% subsidiary of Isoclima US Holdings Inc.), whose environmental and social information were not included in the previous year’s Sustainability Report insofar as they were acquired in late 2021.

However, in terms of environmental data (relating to materials, waste, water, energy consumption and emissions) and health and safety issues, the US legal entities are not covered herein due to a delay in adapting to the parent company’s data collection process.

In order to ensure consistency and comparability of data and information with the previous reporting year, any necessary corrections for improved reporting and any changes in calculation methods or perimeter have been highlighted in the relevant paragraphs and chapters.

This Sustainability Report was approved by the Isoclima S.p.A. Board of Directors on 26/07/2023. The frequency of publication of this document is set on an annual basis.

The document has been the subject of a limited assurance engagement analysis (in accordance with the criteria of ISAE 3000 Revised) conducted by the statutory auditor Deloitte & Touche (see the report at the end of the document).

To request more information about the Isoclima Group’s sustainability strategy and the contents of this Sustainability Report, please contact Giorgio Amato <[giorgio.amato@isoclimagroup.com](mailto:giorgio.amato@isoclimagroup.com)>.

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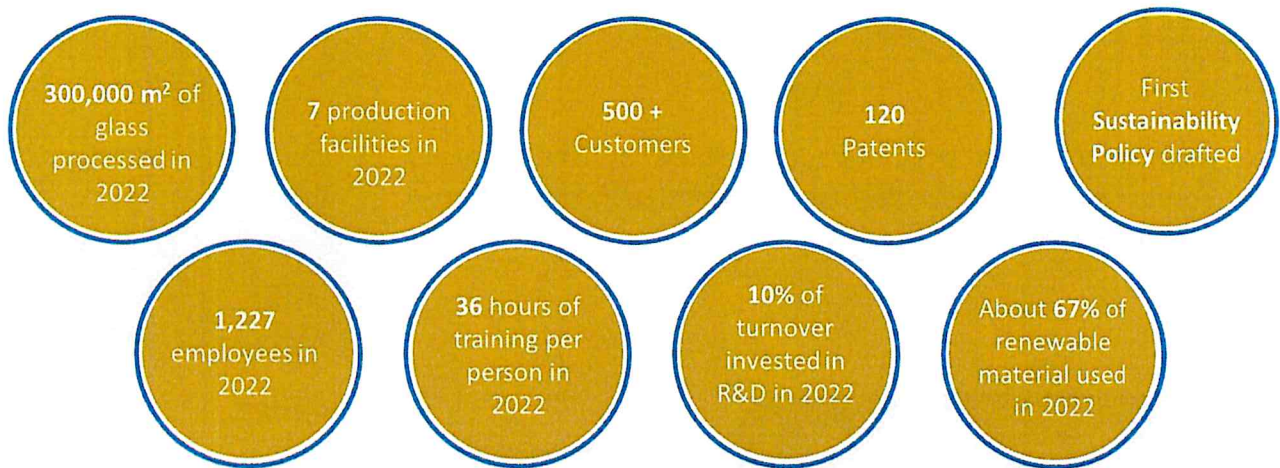
<sup>1</sup> The procedure referred to is PGA\_070\_Rev. A updated on 1 July 2022

## 2. The Isoclima Group





## 2.1 Isoclima in numbers



## 2.2 Identity: mission, vision and values

Isoclima was established in 1977, in Este, in the province of Padua in Italy's Northeast, dealing with glass solutions designed for the building industry and from which the company's name is inspired.

With ambition and innovation running through its DNA, Isoclima soon became a market leader in the insulating glass market, and launched into the research and development of new advanced hi-tech glazing solutions that stood out for their excellent ballistic resistance.

Isoclima puts Sustainability at the heart of its **development strategy**, starting with the innovation of its products and processes, but also with human capital development projects, both internal and aimed at the world of education, thus committing itself to becoming a reference point for all stakeholders in terms of business ethics and social responsibility, respecting the well-being of people and the environment.



## MISSION

*"To develop and manufacture customised glass solutions of the highest quality and most technologically advanced level, whilst anticipating the innovation and quality standard requirements of our customers"*

## VISION

*"Allowing current and future generations to "see through", combining safety, performance and elegance, while staying true to our green credentials"*



## VALUES

*Customer-centric approach  
Integrity and transparency  
Team spirit  
A passion for excellence and results focus  
Responsibility for individuals and society  
Boldness in innovation*

## SUSTAINABILITY GOAL

In 2021, Isoclima integrated its *Vision, Mission and Values* with a corporate Sustainability Goal epitomised by the following sentence:

*"To contribute, **as individuals and as a corporate body**, to the journey towards sustainable growth, so as to leave future generations the same resources enjoyed by previous generations and ensure an adequate standard of living."*

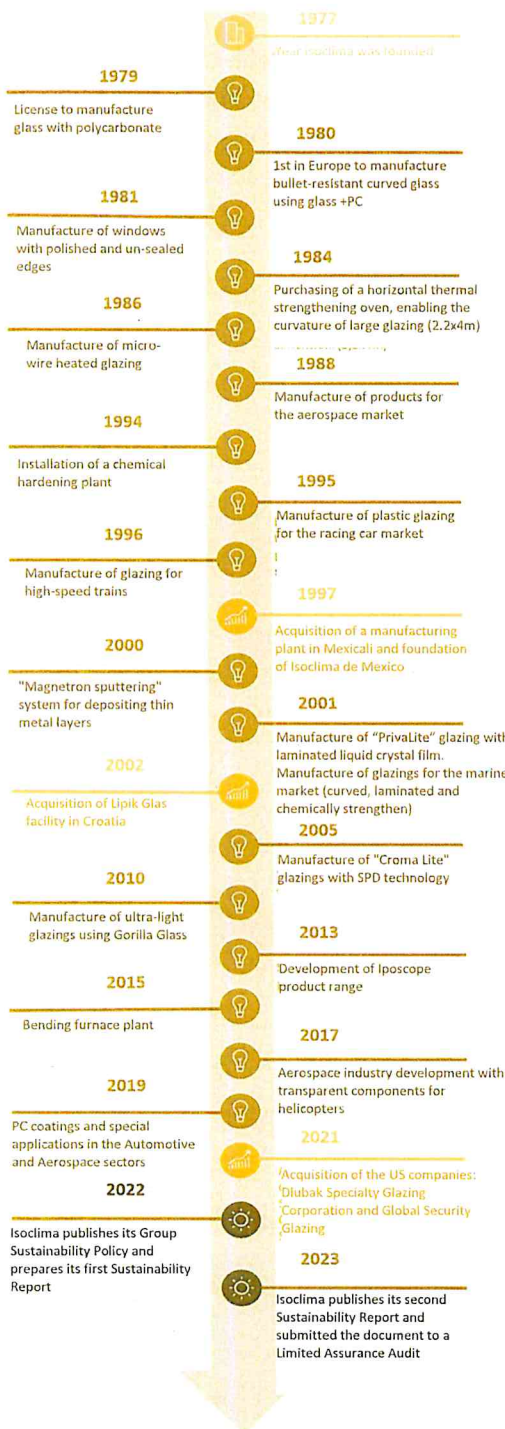
## 2.3 History and evolution

A world leader on the high-performance glazing solutions scene, the Isoclima brand stands for excellence in the development of products engineered to provide security on land, sea, and in the air.

In 40-plus years in the business, we have developed a series of products that have proved to be market game-changers, such as Cromalite, Omnilite, Isolite, and many more.

These are technologically advanced, fully certified solutions, which have been adopted by some of the world's leading companies, including Apple, Mercedes, Audi, Azimut-Benetti, San Lorenzo, BMW, Iveco IDV, Ferrari, Ferretti, McLaren, Leonardo, Airbus, as well as major Police and Defence Forces.

### 2.3.1 Group profile and history



Founded in 1977, in just over a decade (in the '90s) Isoclima began strengthening and consolidating its presence in Italy and abroad with important acquisitions of glass industries both in Italy and abroad, such as Isoclima de Mexico S.A. de C.V. (hereinafter "Isoclima de Mexico") in Mexico and Lipik Glas d.o.o. (hereinafter "Lipik Glas") in Croatia.

In 2017, the financial group Stirling Square Capital Partners acquired majority control of the Isoclima Group.

In 2021, the Group strengthened its international presence by acquiring the assets from two companies (Dlubak Specialty Glazing Corporation and Global Security Glazing) in the United States of America.

In 2022, it drew up its first Group Sustainability Report and in 2023 published the second version and submitted it to a limited assurance analysis.

In the same year, Isoclima validated the organization's Carbon footprint (verified by an independent third party) under the ISO 14064-1 standard, and this marked the starting point of its journey towards decarbonization. In parallel, the product Carbon footprint of *safety glass* was calculated, in accordance with the ISO 14067 "Systematic Approach".

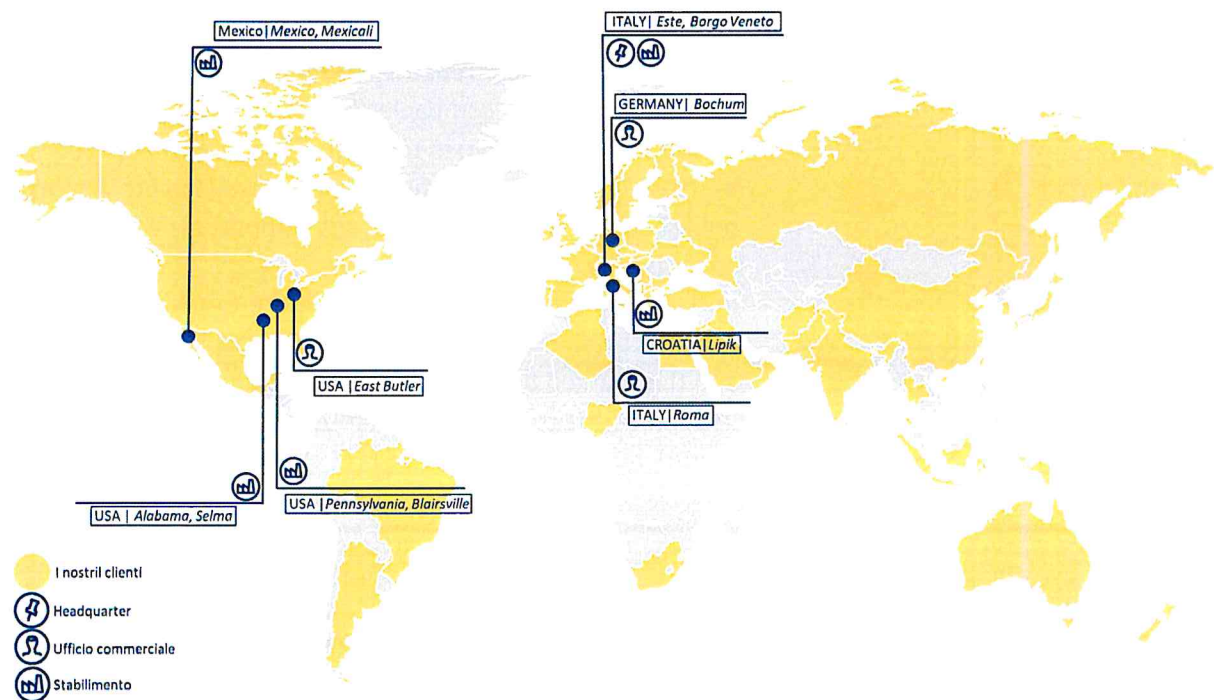


### 2.3.2 Global presence

Isoclima has a global presence, with cutting-edge production sites, in terms of technology and industrial development, located in close contact with all the main reference markets.

In recent times, the Group has strengthened its “Corporate” approach through the definition of common rules for the governance of processes, measurement of their performance, and guidelines applied at Group level, coordinated at the historic headquarters in Este (Padua, Italy). Moreover, Isoclima structures its market presence by leveraging the know-how and expertise of specific business segments in each region, united by the values of excellence and innovation that make up the company's DNA.

**“Your innovative glass solutions, worldwide”**



### 2.3.3 Activities, markets and products

Isoclima has always stood out for the innovative content of its solutions, through which it offers itself on the market as a fully-fledged partner, rather than a mere glass supplier.

The ongoing co-engineering work conducted over the years with the involvement of large international groups (Daimler, VW, BMW, Airbus, etc.) is a testament to the professionalism and competence that characterises Isoclima's cross-market approach.

This leads to the proposal of design solutions embracing multiple applications in various sectors and domains.





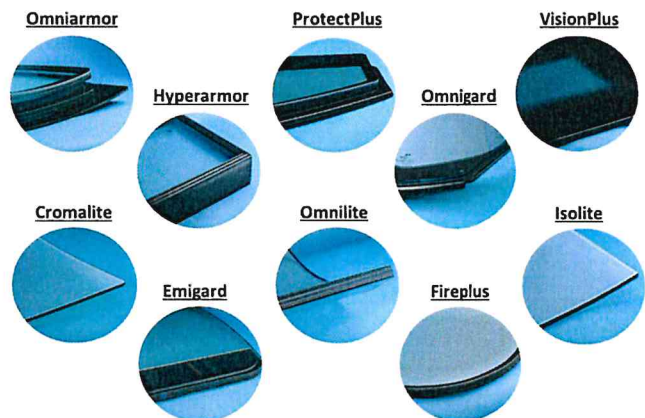
Catering to the most demanding market requirements, our research process merges Isoclima know-how with the product requirements and knowledge of the most prestigious companies in the world who place their trust in our Group, in a process of continuing growth, innovation and co-design.



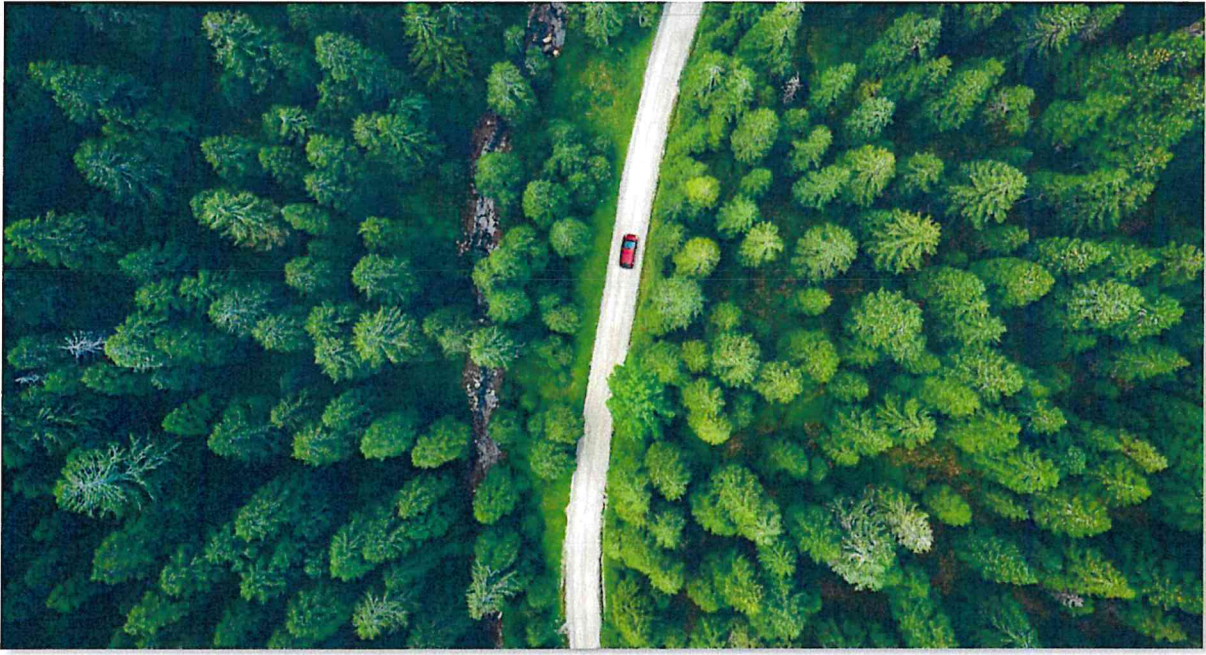
The Innovation and Development department works with full technical and scientific autonomy, using a laboratory certified by Accredia under UNI EN ISO 17025:2018.

The cutting-edge status of the technological solutions we have developed, and our ongoing efforts in research and innovation, mean Isoclima is in a position to offer our customers bespoke, tested and certified products, also through development processes co-designed with some of the most prestigious companies across the globe:

- Multi-layered products made of glass and plastic, to provide bulletproof, burglar-proof and safety smash-proof glass for the automotive and rail industries, the military, and architectural sector;
- Multi-layered ion-exchange chemically strengthened panels, featuring vastly superior mechanical strength, incorporating systems offering high solar protection, commonly required for marine and automotive applications;
- Monolithic or multi-layered panels made from plastic or hybrid/plastic, for aerospace and automotive applications, in both the racing world and public-road use;
- Photovoltaic glass: PowerGlax is a revolutionary photovoltaic technology that turns any transparent glass into a powerful and sustainable source of green energy. This technology is based on transparent or tinted laminated glass incorporating a thin film that captures sunlight and concentrates it along the outside edges, where photons are intercepted by specific photovoltaic receivers that return electricity.



### 3. Our Sustainability Journey



### 3.1 Our main stakeholders

At Isoclima, Sustainability is becoming an increasingly marked part of its strategy, regarded as a dimension that relates dynamically with the Group's activities and constitutes a fully-fledged business tool rather than a mere matter of regulatory compliance. Ever aware of the importance of continuing to integrate sustainability into its way of doing business, in 2021 the Group embarked on a path to identify relevant issues, **to monitor its sustainability performance**, and to define ESG objectives. This process continued into 2022.

Isoclima considers its relations with stakeholders to be fundamental to its **Sustainability journey**. Stakeholders are defined as all individuals who have legitimate interests – whether implicit or explicit – that may be influenced by our business activities.

In 2021, after a process of analysis that considered all of the Group's business activities and its social role in the countries in which it operates, Isoclima drew up a first list of stakeholders. This was then supplemented by a further benchmark analysis, which saw the analysis of 9 peers operating in sectors similar to that of Isoclima. The information that emerged was cross-referenced with the results of further industry studies and international platforms to make up the following stakeholder map.



The resulting map summarises the main categories of subjects who may reasonably be affected by the Group's activities, products or services. Similarly, stakeholders also include individuals or entities whose actions may affect the Group's ability to implement its strategies or achieve its objectives.

This phase of identifying the stakeholders, their interests and their expectations represents a moment of fundamental importance for the process of defining the contents of the Sustainability Report. It's a tool that helps to illustrate the main dynamics and initiatives promoted during the year in the **economic, environmental, and social** dimensions, and aids the analysis of company performance and results, and their impact.

In this regard, the Sustainability Report provides stakeholders with a **report on the results achieved in the field of sustainability (ESG)**.

Isoclima adopts practices that foster dialogue with and the involvement of the main stakeholders, with the aim of listening to their expectations. The main channels of dialogue and interaction are summarised below, bearing

in mind that the methods and frequency of stakeholder engagement vary according to the opportunities for discussion during the year.

Stakeholders	Engagement/interaction activities
Employees	<ul style="list-style-type: none"> <li>• Induction programmes for new employees;</li> <li>• Corporate meetings and events;</li> <li>• Training and refresher programmes;</li> <li>• Notice boards in factories, offices and online;</li> <li>• Periodic meetings with managers;</li> <li>• Business climate survey</li> <li>• Welfare plans;</li> <li>• Internal communications.</li> </ul>
Trade union organisations and workers' representatives	<ul style="list-style-type: none"> <li>• Trade union agreements;</li> <li>• Regular meetings to update and share ideas on environmental issues, health and safety of workers and sustainability.</li> </ul>
Regulatory bodies	<ul style="list-style-type: none"> <li>• Formal communications, within the specific areas in question (e.g. Governance, Tax).</li> </ul>
Trade associations	<ul style="list-style-type: none"> <li>• Participation in regulatory committees, seminars, conferences and work guidance projects with local schools;</li> <li>• Membership in the Sustainability Group of Confindustria Veneto Est.</li> </ul>
Customers and Public Authorities	<ul style="list-style-type: none"> <li>• Periodic meetings with commercial managers;</li> <li>• Ongoing dialogue through various communication channels (e.g. e-mail, telephone, social media, post);</li> <li>• Website;</li> <li>• Presence at events and trade fairs;</li> <li>• Interviews and surveys;</li> <li>• Technical assistance;</li> <li>• Customer visits to Isoclima plants.</li> </ul>
Suppliers and partners	<ul style="list-style-type: none"> <li>• Periodic meetings;</li> <li>• Relationship with purchasing departments;</li> <li>• Technical visits to factories;</li> <li>• Surveys and other communications;</li> <li>• Website;</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>• Support projects and/or backing for social, cultural and environmental initiatives;</li> <li>• Participation in local events;</li> <li>• Social media (LinkedIn, Instagram, Facebook etc.);</li> <li>• Work guidance and training projects with local schools;</li> <li>• Round tables with representatives of the institutions;</li> <li>• Collaboration and cooperation in sporting, cultural and artistic activities.</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Board of Directors;</li> <li>• Participation in workshops, seminars and working groups on sustainability coordinated by shareholders;</li> <li>• "Interviews" with shareholders;</li> <li>• Internal audits;</li> <li>• Periodic financial reporting;</li> </ul>



- Definition of corporate sustainability strategies;
- Monthly Business Reviews.

It should be noted that the Group is a member of numerous associations. Specifically, Isoclima S.p.A. is part of the Confindustria Veneto Est Industrial Association, Isoclima de Mexico is part of the Asociación de maquiladoras de Mexicali (INDEX), and Lipik Glas d.o.o. is a member of the following associations: the Croatian Chamber of Commerce, the Croatian Employers' Association, the Economic Council of the City of Lipik. No critical concerns or significant issues emerged from the stakeholder engagement activities carried out by the Group's companies.

### 3.2 Materiality analysis

In accordance with the requirements of the GRI Standards, the contents of the Sustainability Report follow the results of the materiality analysis, updated during this reporting year. This update has made it possible to identify aspects that reflect the most significant **economic, environmental and social** impacts for Isoclima, and that could substantially influence the assessments and decisions of its stakeholders.

The update, which is mainly the result of a **benchmarking analysis of companies** operating in the same sector as the Group and producing sustainability or non-financial reports, has confirmed the set of potentially relevant sustainability issues identified in the first analysis conducted in 2021. In order to identify material issues for the Group, an activity involving the main categories of stakeholders, both internal and external to the Group, was carried out in 2021. The purpose of this activity was to identify and prioritise relevant issues. Prioritisation was carried out through an evaluation questionnaire submitted to two of the main stakeholder categories engaged, asking them to evaluate the issues on a scale of 1 to 5. By cross-referencing the information thus obtained with the evaluation of 13 Top Management members, and reprocessing the results, 16 material topics were identified (all confirmed after the 2022 update).

The goal of the updating process was to intensify the direct channel of communication with stakeholders and to provide increasingly comprehensive disclosures on the main performance achieved in the Environmental, Social and Governance (ESG) field.

To align with the updated method of the GRI Standards, Isoclima used the information obtained to **identify and assess its impact on the economy, the environment and people, including human rights**, also for the purpose of drafting this document. The topics were therefore examined and prioritised with a view to identifying the positive and negative, current and potential impacts with the greatest significance for the Group in terms of sustainability

The Group's materiality analysis takes into consideration not only the point of view of the organisation but also that of the stakeholders.

The issues identified make it possible to consolidate the business approach and the perspective of stakeholders, becoming a significant tool for defining and developing sustainability priorities and continuing to generate shared value in the long term.

In paragraph 8.2, the "Correlation table" shows the correlation between the material issues, the topics defined by the GRI Standards and the related boundaries.

Material topics in order of priority and their impacts	Type of impact	
<b>1. Product quality and responsibility</b>		
Improvement in customer satisfaction	Positive	Current
Offering high quality, durable products	Positive	Current
<b>2. Occupational health and safety</b>		
Injuries or other accidents at the workplace, with adverse consequences for the health of direct workers or external collaborators	Negative	Current
Monitoring and application of management systems in the field of health and safety	Positive	Current
Promotion of employee health and well-being activities, also through dedicated training	Positive	Current
<b>3. Energy consumption</b>		
Promotion of energy efficiency initiatives	Positive	Potential
Energy consumption from non-renewable energy sources (fossil fuels and electricity from non-renewable sources)	Negative	Current
<b>4. Research, development and innovation</b>		
Promotion of industrial development through R&D activities	Positive	Current
Improved efficiency and use of innovative equipment and machinery to offer products/services with the highest standards of innovation	Positive	Potential
<b>5. Waste management</b>		
Environmental impact due to the production of hazardous and non-hazardous waste both during production and along the value chain (transport, packaging, post consumption)	Negative	Current
Limited recycling or reuse of high-value waste materials	Negative	Current
<b>6. Sustainable management of the supply chain and raw materials</b>		
Creation of a sustainable supply chain	Positive	Potential
Improved supplier ESG performance	Positive	Potential
<b>7. Atmospheric emissions</b>		
Generation of direct/indirect greenhouse gas emissions contributing to climate change	Negative	Current
Strategies for adaptation and mitigation of environmental impact	Positive	Potential
<b>8. Cybersecurity</b>		
Cybersecurity breaches of confidential business information, to the detriment of the Group and its stakeholders	Negative	Potential
Protecting the privacy of Group stakeholders by complying with applicable legislation and good data management practices	Positive	Current
<b>9. Human capital management and development</b>		
Development of individual employees' professional competencies	Positive	Current
High staff turnover and loss of key knowledge, with indirect impact on stakeholders	Negative	Potential
<b>10. Economic performance and value creation</b>		
Direct generation of economic value and linked distribution to stakeholders (e.g. employees, suppliers)	Positive	Current
<b>11. Respect for human rights</b>		

Material topics in order of priority and their impacts	Type of impact	
Incidents of discrimination/abuse within the organisation	Negative	Potential
Greater focus on respect for human rights	Positive	Potential
<b>12. Governance, compliance and business ethics</b>		
Compliance with applicable laws, regulations (regional, national and European) and standards	Positive	Current
Promoting an ethical, impartial and inclusive workplace	Positive	Current
<b>13. Water resource management</b>		
Efficient management of water resources through the promotion of water reuse in business processes	Positive	Potential
<b>14. Well-being of workers</b>		
Promoting employee satisfaction and well-being by implementing well-being activities and benefits	Positive	Current
Ensuring the right to free association of employees	Positive	Current
<b>15. Involvement of local communities</b>		
Economic impacts on local communities	Positive	Current
Raising awareness of ESG issues for the new generations	Positive	Current
<b>16. Anti-corruption</b>		
Compliance with current legislation and applicable provisions for the elimination of crimes and offences	Negative	Current

### 3.3 Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs) approved in September 2015 by the governments of the 193 member countries of the United Nations General Assembly recognize the close link between human well-being and the health of natural systems, highlighting the common challenges that all countries are called upon to face for a sustainable future.

The goals are part of the ambitious action programme for the peace and prosperity of people and the planet, known as the 2030 Sustainable Development Agenda, and are in turn broken down into 169 targets.

The SDGs are universal in nature, addressing both developing and advanced countries, and are based on integration between the three – environmental, social and economic – dimensions of sustainable development. The 17 objectives, therefore, cover different areas of development, such as fighting hunger, eliminating inequalities, protecting natural resources, urban development, agriculture and consumption patterns.

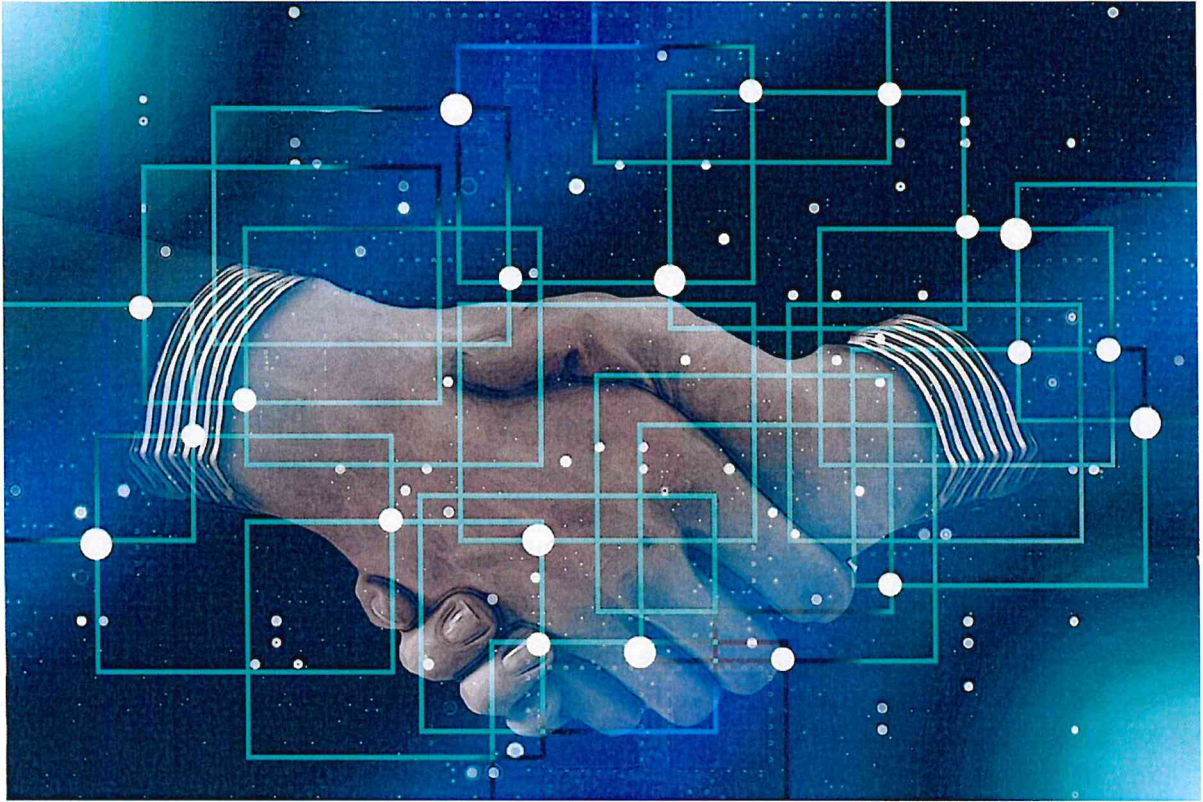
In particular, Isoclima is focused on aligning its corporate strategy with the following objectives:

- ⇒ 3 (Good health and well-being);
- ⇒ 4 (Quality education);
- ⇒ 5 (Gender equality);
- ⇒ 6 (Clean water and sanitation);

- ⇒ 7 (Affordable and clean energy);
- ⇒ 8 (Decent work and economic growth);
- ⇒ 9 (Industry, innovation and infrastructure);
- ⇒ 11 (Sustainable cities and communities);
- ⇒ 12 (Responsible consumption and production);
- ⇒ 13 (Climate action);
- ⇒ 15 (Life on land);



## 4. Group Integrity



#### 4.1 Ethical business

Isoclima intends to generate value for its stakeholders through a forward-looking and sustainable policy, capable of enhancing and developing high quality, advanced technology solutions by harnessing all the company's intangible capital: people, experience, innovation, and respect for the environment.

To this end, it has drawn up its *Model 231*, identifying those internal decision-making processes relating to conduct deemed pertinent pursuant to Decree 231 of 2001. The Code of Ethics identifies fundamental values and principles, behaviour criteria and rules of conduct which are the basis of all relationships with internal and external players.

On 3 March 2022, the Isoclima S.p.A. Board of Directors approved the adoption of our Organisation, Management and Control Model pursuant to Legislative Decree 231/01, and the related Code of Ethics.

Isoclima promotes the distribution of the Code of Ethics by making the document available on the Group's intranet so that it can be accessed by all employees; but above all, by fostering a Group-wide culture which champions respect for the law, the rules, and the principles of legitimacy, correctness and transparency in conducting business activities, also as through the preparation of dedicated training programmes.

To this end, as a Group, we constantly strive to achieve excellence in all our business activities, upholding respect for the law and core business ethics, not least as a prerogative for safeguarding the Group's image and reputation.

Our Code of Ethics is required to be upheld in all countries in which the Group operates, taking into consideration any cultural, social, legislative, regulatory and economic differences in the specific local contexts, and maintaining the highest standards as defined by Isoclima. Furthermore, during the reporting year, **there were no conflicts of interest**, an aspect which is regulated by the Code of Ethics.

Isoclima implements its commitments through specific policies for responsible business conduct, through the definition of strategic sustainability projects aligned with the principles of the *Sustainability Policy*, and through an action plan related to improving its sustainability performance, with reference to the material topics identified.

Indeed, through the publication of our own *Sustainability Policy*, the Group affirms its commitment to robustly adhering to the Group's ethical values, thus reaffirming the commitment of the Directors to the broader responsibility that all companies are called upon to uphold.

The Group operates in accordance with the principles of integrity, honesty, loyalty and transparency, in full compliance with applicable laws and regulations, and maintains relationships of trust with all actors, both inside and outside the organisation. These represent a set of Isoclima standards which apply in all countries in which the Group is present and has direct business dealings, and, where Isoclima's standards are higher, take precedence over the various laws applicable within these countries.

The Group is committed to operating with full respect for the individual and the human rights of workers, as recognised in national and international conventions and declarations, and upholds the values of the Universal Declaration of Human Rights, the Sustainable Development Goals (SDGs) of the United Nations, the Conventions, Protocols and Recommendations of the International Labour Organisation, international standards, and the Global Reporting Initiative (GRI).

No form of forced or child labour, discrimination based on employment or profession is tolerated, and this commitment extends to and is upheld throughout our entire supply chain.

Isoclima believes that collaborating with our stakeholders, such as trade unions and Authorities, as well as with our partners outside our specific business activities, such as universities or non-profit institutions, are essential for the creation of shared values based on a balance between corporate objectives and social development.

The Isoclima Group is committed to creating, developing and consolidating cooperative links with the communities in which it operates – from both a social and an environmental perspective – and believes these are prerequisites for sustainable development.

## 4.2 Anti-corruption

The Code of Ethics highlights how the Group is opposed to any type of practice linked to corruption, including collusive behaviour, illicit payments and favouritism, aimed at obtaining an unfair advantage in business activities. The Group strives to maintain relationships with stakeholders that are always based on full transparency and truthfulness of information, with the aim of fostering relationships which are healthy and long-lasting.

The Group is, therefore, firmly committed to tackling all cases of corruption and preventing risks deriving from illegal practices, at all working levels and in all geographical areas.

This is a central issue for the Group, as well as being a key aspect of compliance with current legislation, and also underpins all aspects of what is deemed appropriate conduct in our commercial relations with our customers and suppliers.

It is thus paramount that the Group deal with any cases of corruption with due diligence, as any failure to do so, in accordance with the provisions of Legislative Decree 231/201 and subsequent amendments, could have serious consequences for the Company (disqualification from participating in tenders, etc.).

Isoclima has a zero-tolerance policy towards any form of corruption, whether active or passive, and undertakes to comply with prevailing anti-corruption laws in all the countries in which it operates. In addition, the group adheres to initiatives aimed at fostering ethical and responsible business conduct, and distances itself from any form of activity aimed at manipulating the rules of the market.

To ensure this, the Group implements control processes in line with all applicable regulations and best practices, and guarantees external audits by the Supervisory Board.

## 4.3 Governance

The Corporate Governance system adopted by Isoclima aims to guarantee the most balanced collaboration between its components and has the aim of promoting responsible and transparent management of the company towards the market in order to create shared value for all stakeholders. In this regard, the Group bases its governance on maintaining an appropriate balance between shareholders and management.

<b>Capital and financial instruments 2022</b>	
<b>Share capital in Euro</b>	
<b>Authorised</b>	5,400,000.00
<b>Subscribed</b>	5,400,000.00
<b>Fully paid-up</b>	5,400,000.00
<b>Shares</b>	
<b>Number of shares</b>	<b>15,000</b>
<b>Value in Euro</b>	<b>360.00</b>

The Organisation chart relating to the organisational and management structure of the Group is shown below.

### Organisation chart of Isoclima S.p.A. as at 31/12/2022



Isoclima is aware of the importance of having an adequate governance structure to achieve its long-term strategic objectives, and adopts an administration system consisting of:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors.

#### Shareholders' Meeting

The shareholders' meeting is entrusted above all with decision-making functions, with reference to decisions concerning the organisational structure of the Group and its functioning, such as the nomination and possible revocation of members of the Board of Directors. Currently, the total number of shareholders and holders of rights on shares and quotas is 12.

#### Board of Directors

The administrative body is the highest governing body and has the widest powers for the ordinary and extraordinary administration of the Company without exception, excluding circumstances in which, because of the law or articles of association, such powers have expressly been devolved to the shareholders' meeting. The Board of Directors currently has five members, structured as follows:

Board of Directors as at 31/12/2022	
Chairman of the Board of Directors	Gregorio Napoleone
CEO	Paolo Cavallari
Board members	Benoit Aurelien Sacha Romain
	Alberto Bertolini
	Guglielmo Tosato

Moreover, the Board of Directors is also responsible for approving the Sustainability Report, reviewing the Company's performance by attending a monthly business review with the members of the Company's Executive



Committee, and reviewing and approving all reported information, including material topics. In addition, the Board of Directors empowers the Chief Executive Officer to manage the organisation's impacts.

The Supervisory Board is an integral part of the administration and control model. Its members are appointed by the Board of Directors and it was established following the implementation of the Organisation, Management and Control Model pursuant to Legislative Decree n. 231/2001, adopted on 3 March 2022. The Supervisory Board is entrusted with the task of continuously monitoring the functioning and observance of the provisions of the Model, its implementation and its ability to prevent crime, as well as to ensure it is updated in a timely manner when required to do so. Isoclima's Supervisory Board comprises two components: one internal, which is responsible for Quality, and one external with the role of Oversight.

The Isoclima S.p.A Board of Directors also oversees the implementation of the guidelines of the Sustainability Policy throughout the Group and ensures this is continuously kept up to date and remains coherent with the evolution of the Group.

### Board of Statutory Auditors

The Board of Statutory Auditors has the specific role of monitoring compliance with the law and the articles of association, observance of the principles of correct administration in the performance of corporate activities, and ensuring the adequacy of the organisational structure, while the legal audit of the Groups accounts is entrusted to the independent external audit Deloitte & Touche S.p.A.

The Board of Statutory Auditors currently consists of five members, and will remain in office until the financial statements are approved at 31/12/2022. Three of these are permanent members and two are alternate auditors, as detailed below:

<i>Board of statutory Auditors as at 31/12/2022</i>	
<b>Chairman of the Board of Statutory Auditors</b>	Andrea Fasan
<b>Auditor</b>	Silvio Genito
<b>Auditor</b>	Carmen Pezzuto
<b>Alternate Auditor</b>	Marco Prandin
<b>Alternate Auditor</b>	Lucia D'Aurizio

In support of the commitment made for improvements regarding sustainability, Isoclima has appointed a Sustainability Director, who is in charge of developing the Group's corporate strategy on these issues, as well as setting up operational working groups aimed at the practical implementation of objectives set, such as the group tasked with identifying the best technologies to reduce consumption and emissions, or the group tasked with managing involvement with local communities. The Sustainability Director is a member of the Leadership Team, reporting to the Chief Executive Officer on Sustainability issues. He reports on the progress of Sustainability-related activities through a summary that is shared monthly with the Leadership Team and the Ownership. Moreover, the Leadership Team regularly monitors the progress of strategic Sustainability projects.

#### 4.4 Group certifications

The Group has elected to voluntarily establish and implement ongoing improvements to its integrated system for managing product quality and the working environment.

This commitment takes the form of numerous certifications, both at a Group level and for individual production facilities.

#### Isoclima's certifications to 2022



## 5. Social Sustainability



*Art workshops for Isoclima employees and their families, in collaboration with AlidArte - Este*

## 5.1 Cybersecurity

As a provider of Intranet and Extranet company services, BMP and collaboration, Isoclima is committed to the protection of personal data that have been entrusted to it. Therefore, Isoclima pays particularly close attention to the EU GDPR of 2016/679 Regulation (EU) 2016/679 of the European Parliament and European Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data, as well as on the free movement of such data.

The topic is not limited solely to the processing of personal and sensitive data of employees, but also concerns data relating to customers and suppliers. Numerous employees can potentially process this type of data, and for this reason it's important that they receive adequate training in this regard.

In particular, employees who become aware of any information that is not in the public domain, as described in the Code of Ethics, must use the utmost caution and care in using this information, and prevent its disclosure to unauthorised persons, both inside and outside the company.

Isoclima's commitment to data protection is detailed in the publication of two main documents, namely, the Privacy Policy, updated in 2022, and the Cookie Policy. Both are available on the Isoclima website ([www.isoclimagroup.com](http://www.isoclimagroup.com)). The Group has appointed a qualified individual, the DPO (Data Protection Officer), to manage these issues, this individual is responsible for the preparation, disclosure and specific training related to these issues to all employees who potentially have to process personal data.

In order to measure the Group's performance in relation to the protection of confidential data, Isoclima employs a qualified external expert to conduct regular Group-wide internal audits to verify effective compliance with what has been defined.

Isoclima has also installed dedicated software and system access via accounts/password protection which ensure that access to confidential information by unauthorised persons is limited as much as possible.

No proven reports of violations of customer privacy or loss of customer data were received by Isoclima in 2022.

The only purposes for which the use of sensitive data is authorised are:

- Management of contractual relationships: data is processed in relation to contractual needs and mainly for administrative and commercial purposes;
- Marketing: where consent is expressly given, data is used for advertising and market research purposes;
- Profiling: where consent is expressly given, data is used to create a personalised commercial profile in order to optimise services.

Many suppliers and service providers in the automotive sector process and handle highly sensitive and confidential data and information. To protect and guarantee maximum confidentiality, Isoclima S.p.A. is continuing to pursue a procedure which will result in the Group obtaining Tisax certification (Trusted Information Security Assessment Exchange).

During 2022, the group extended the use of SAP to Lipik Glas d.o.o., thus obtaining a single software that allows for increasingly efficient data management.

### 5.2 Product quality, safety and sustainability

The quality of the products produced is one of the main strengths that have always distinguished the Group.

We therefore give great importance to our quality management and monitoring system, which is a strategic tool for furthering business development and ensuring the satisfaction of all interested parties.

Isoclima's products are used in critical sectors such as the aeronautic, railway, naval, ballistics (civil and military) industries,



and more generally in areas requiring high shatterproof and bulletproof performance. The products must therefore comply with specific regulatory requirements, offering a safety feature for people occupying the vehicle, airplane or vessel. Furthermore, the Group carries out its activities in compliance with the following standards: UNI EN ISO 9001:2015, AS9100:2016, IATF 16949:2016, ISO/TS 22163:2017 and AQAP 2110:2016.

Finally, in 2022, the Group's **Quality Policy** was updated and published on its intranet and on its official website, confirming the Group's commitment to maintaining high quality standards. The document provides a framework for defining specific quality objectives, which are constantly monitored and analysed through performance indicators (KPIs). The policy is updated and reviewed annually during the Quality Management Review to assess the need for updates.



An integral part of the process of guaranteeing product and service quality is the handling of customer complaints, which is regulated by a dedicated procedure containing operational methods and responsibilities. This will be updated and redefined in 2023. Responsibility for the complaint management process is divided between Sales, After Sales and Plant Quality. Every customer report related to product quality issues is recorded in SAP, which is also used to document the analyses carried out and to draw up the

relevant reports, including all the documentation supporting the management of complaints.

The complaints management process is monitored through specific indicators, and the complaints themselves are shared with the leadership team and analysed during periodic meetings, business reviews and management reviews, as required by applicable regulations on quality systems.

### 5.3 Responsible management of the supply chain and of materials

Isoclima is committed to the responsible management of its supply chain in order to minimise negative impacts and increase positive impacts on the economy, the environment and people. To this end, the Group considers it essential to ensure that its companies and partners share a set of common rules, practices and principles on ethical, social responsibility and environmental protection issues.

During 2022, Isoclima drafted a **Supplier Code of Conduct** which it later shared with its suppliers to ensure compliance with the ethical principles contained therein. Isoclima is also committed to ensuring that suppliers observe the principles enshrined in the conventions, protocols and recommendations of the International Labour Organisation, such as the Universal Declaration of Human Rights, the United Nations Sustainable Development Goals (SDGs), the SA8000 standard, the ISO 26000 standard, and the United Nations Women's Empowerment Principles.

The **Supplier Code of Conduct** is split into three main sections:

1. **Labour standards and social responsibilities**, which require suppliers to exercise exemplary conduct in terms of social responsibility, specifically the prohibition of child labour, forced labour, illegal, clandestine and undeclared employment, harassment, abuse and discrimination of any kind. In addition, there is an express duty to meet all legal requirements regarding wages and benefits, working hours, freedom of association, and guaranteeing a safe and healthy working environment for workers;
2. **Environmental standards and protection**, which require suppliers to comply with local and international environmental regulations, obtain necessary environmental permits and demonstrate the effective implementation of an environmental management system, an improvement in environmental performance, and measures to preserve biodiversity and to ensure that staff whose work directly impacts the environment is properly trained and qualified;
3. **Business integrity requirements**, by which Isoclima determines whether or not its suppliers perform their activities with exemplary integrity. In particular, this refers to compliance with the law, the prohibition of corruption and money laundering, the prevention of conflicts of interest, confidentiality, data protection, and transparency of information.

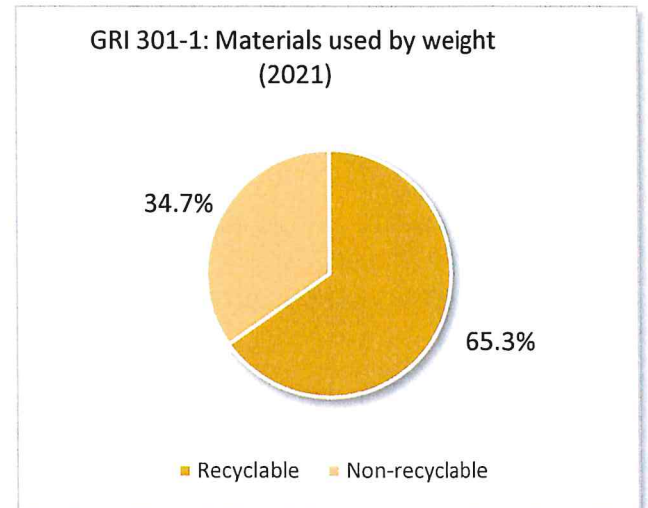
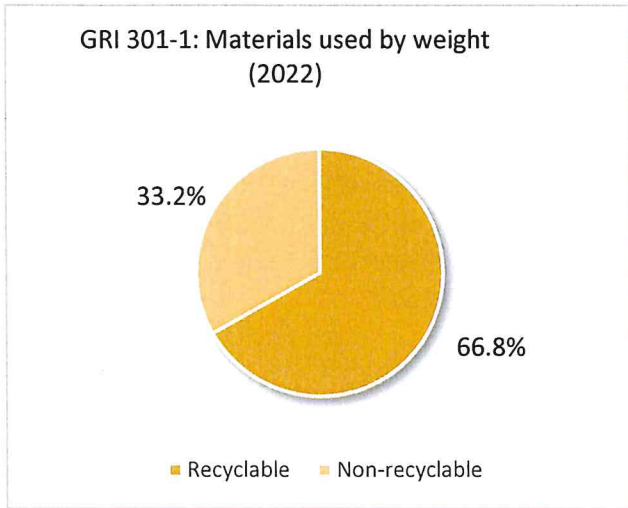
At Isoclima, environmental sustainability is a primary concern; the Group's commitment in this regard is based on following responsible practices so as to contribute to environmental protection and improve business and people performance, while at the same time never neglecting the growth of the company and its supply chain. In this regard, in 2022, in addition to the Supplier Code of Conduct, the Group also drafted **its Green Procurement Policy**, which states its commitment to making purchasing decisions that are socially and ecologically responsible.

Moreover, driven by the market, Isoclima has also drafted a **Conflict Minerals Policy**, which ensures that products developed contain conflict-free minerals, metals, or other components.

Finally, confirming its commitment to making its supply chain increasingly sustainable, Isoclima has adopted the concept of product sustainability by promoting an increasingly responsible and sustainable use of raw materials, both during the production process (e.g. glass, plastic and metals) and during shipping and packaging activities (e.g. wood, paper). Indeed, in 2022 the share of recyclable materials used in production processes recorded an increase of about 2% compared to 2021 (the share of recyclable materials was around 67% in 2022)<sup>2</sup>.

As pointed out in the Methodological Notes of this report, material-related data does not include the Dlubak Specialty Glazing Corporation (USA) and Global Security Glazing (USA) facilities.

<sup>2</sup> 2021 data has been reviewed following an update in the calculation method used



Isoclima de Mexico is rolling out a system which uses packaging that is no longer exclusively made of wood, using instead boxes made partly of wood and cardboard. This will lead to a reduction not only in weight but also in the consumption of wood. In 2022, **the target of 95% of shipments using wooden crates and cardboard was achieved.**

#### 5.4 Innovation, research & development

Here at Isoclima, we believe that scientific knowledge is a leading asset for our business, as well as a value to be shared with the international scientific community we belong to. Innovation and research activities constitute the Group's main asset, and are central to our development and growth within the market. For the past 25 years, the Group has been actively present within the global glass science and technology community, playing an active role as both speaker and participant at major conferences, congresses and international events of great importance from a technological and scientific point of view.



Glass is no longer just a mere sheet of material, but a visual and aesthetic enhancement of great importance. The market is aware of this new need and increasingly requires high-performance products that deliver enhanced comfort and energy savings. In response to these market trends, Isoclima continuously searches for new materials and new technologies to be used, as well as for competent people who can work efficiently on the various tests, trials and samples of new products, while minimising waste. In this context, Isoclima has **12 ongoing research and development projects** that see the collaboration of **7 specialised engineers**. In particular, **4 of these were implemented in 2022:**

- Introducing **glass surface coatings** with a high degree of sun protection;
- **Reducing the thickness of glazing compositions** through the use of advanced process technologies and design methods;
- Introducing the **latest generation of photovoltaic systems** into the company's product range, following a joint venture with a start-up from Trento;
- Transitioning from organic solvent paint products to **water-based solvent products**.



The presence of Isoclima in the scientific world of glass was confirmed in 2022 through the publication of original articles in the most prestigious peer-reviewed journals in the sector.

Moreover, the Group was awarded a project as a result of which it will be able to adopt an artificial intelligence-managed furnace that can handle and develop particular glass curvatures and self-adapt without human intervention, as part of the NRRP (National Recovery and Resilience Plan). This particular project will reduce both waste and the risks of a possible loss of know-how, in an Industry 4.0-oriented perspective.

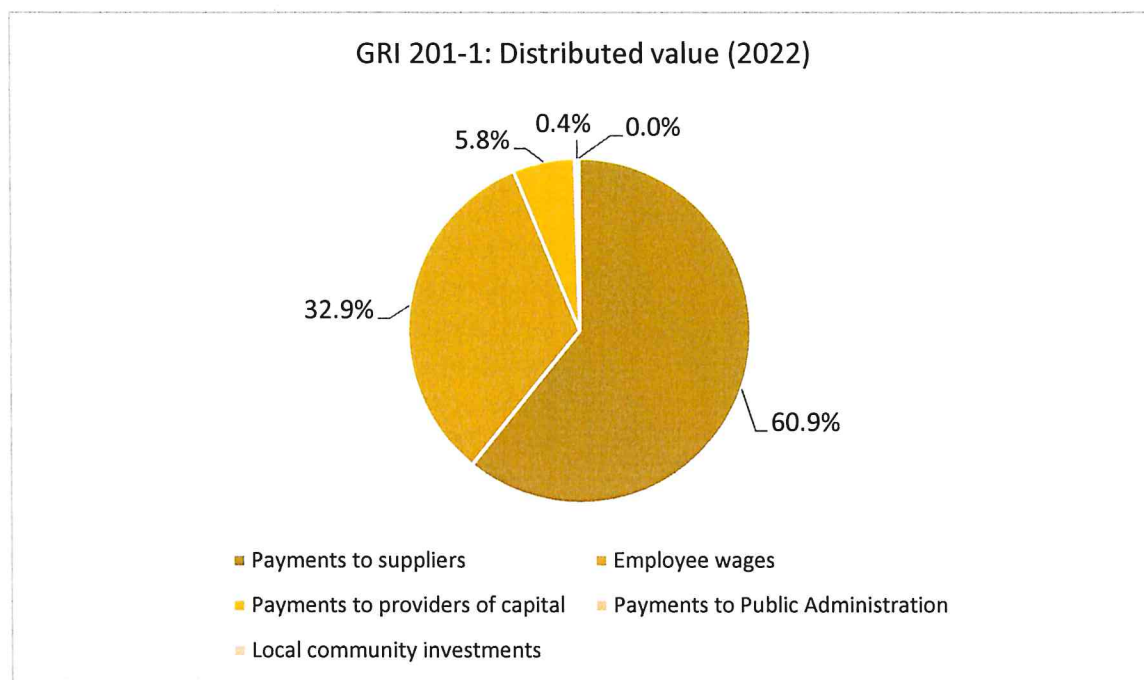
### *5.5 Sharing financial results*

2022 was a difficult year, mainly due to the consequences of the geopolitical crisis, which, in addition to creating a scenario of uncertainty, did not merely affect businesses in critical areas, but also led to an unprecedented global price increase in advanced countries.

Through measurement of the economic value generated and distributed, according to the reclassification of the profit and loss account, the Group confirms its economic stability and transparency, being fully aware of its importance to stakeholders. To this end, Isoclima adopts a growth strategy that pursues both the aim of increasing the economic value of the company, and the aims of development and social impact.

The economic value generated and distributed by the Group makes it possible to monitor the financial health of the organisation and provides guidance on how the value generated is distributed to key stakeholders and/or reinvested in order to foster business growth. This indicator is determined by the value generated (revenues) in the reference period resulting from the sale of products and services and from other income (financial income, other income, etc.) net of depreciation and write-downs, and the value redistributed (operating costs, salaries and benefits, payments to suppliers and governments), in various forms, to the Group's stakeholders. This value was calculated on the basis of the items in the income statement used in the Group's Consolidated Financial Statements at 31 December 2022, including Isoclima US Holdings Inc and Isoclima Specialty Glass LLC at full capacity for the reference year, which is why the figures for 2022 increase so significantly. The **economic value generated** by the Group in 2022 amounts to around 133.7 million euro which was redistributed in the form of: payments to suppliers, staff and providers of capital, Public Administration, and local community investments. During 2022, the economic value generated and distributed to stakeholders amounted to EUR 126.2 million (up 53.3% over 2021); the stakeholders to whom the largest share of the value generated by Isoclima's activities was allocated are suppliers and people of the Group, who received respectively 61% and 33% of the total economic value generated and distributed. The following values confirm the high importance within the business value chain of these stakeholder categories.





<b>DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (€/000)</b>	<b>2021</b>	<b>2022</b>
<b>ECONOMIC VALUE GENERATED</b>	<b>85,433</b>	<b>133,682</b>
<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>82,249</b>	<b>126,104</b>
<i>Operating costs/Payments to suppliers</i>	<i>45,378</i>	<i>76,722</i>
<i>Employee wages</i>	<i>29,789</i>	<i>41,564</i>
<i>Payments to providers of capital</i>	<i>6,577</i>	<i>7,333</i>
<i>Payments to public administration</i>	<i>399</i>	<i>463</i>
<i>Donations and gifts<sup>3</sup></i>	<i>106</i>	<i>22</i>
<b>ECONOMIC VALUE RETAINED</b>	<b>3,184</b>	<b>7,577</b>

### 5.6 Local community involvement

Isoclima's management strategies include policies and practices that affect and regulate the impact of the work both at an economic and a social level, with the aim of fostering sustainable behaviours at all levels, and towards all entities with which the Group relates. The Group therefore considers the needs of communities to be an integral part of sustainability and actively contributes to its economic, social and cultural development, always carrying out concrete activities that could enhance the territory in which it operates.

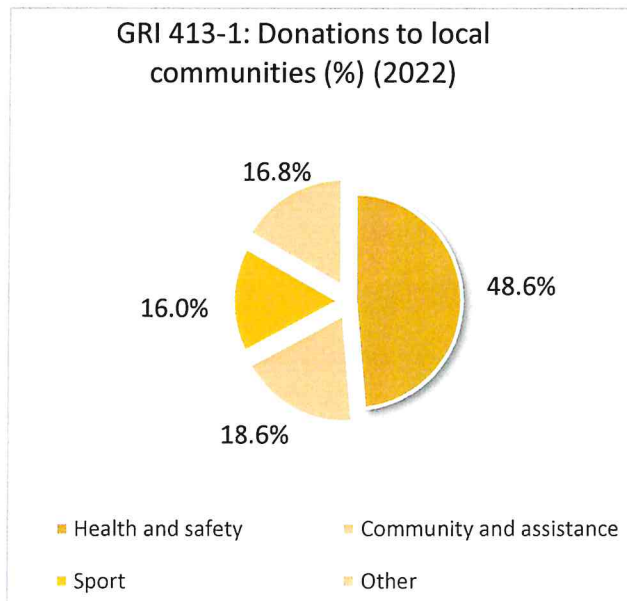
Isoclima is deeply committed to education and community engagement. Through collaboration initiatives with local high schools and the Industrial Association, the company has made significant progress in fostering meaningful relationships and driving positive change within communities.

One notable project undertaken by Isoclima is the sponsorship of hands-on classes at a local high school in Lipik, Croatia. By providing financial support and dedicated resources, the company offers three ambitious students invaluable hands-on experience and opportunities to improve their technical skills. This partnership not only nurtures individual talent, but also enables students to excel in their academic activities.

In Mexicali, Mexico, Isoclima took a proactive approach by organising an extensive training programme for six promising students. The aim was to provide them with relevant skills and knowledge for the industry. The

<sup>3</sup> The actual weighting of donations and gifts on the total value distributed is 0.02%

company's commitment to cultivating talent led to the hiring of one of the trained students last year. This person has shown exceptional potential and dedication, reflecting Isoclina's investment in local talent and its commitment to supporting the growth of the community.



The Group has always been sensitive to relations with the local communities in the areas in which it operates. In particular, throughout our history, we have pursued and developed a medium/long-term policy strategy, aimed at supporting initiatives in the fields of research, culture, sport and youth training. These initiatives are published through our corporate media channels in order to foster employee involvement and encourage their participation.






Our commitment to the local community makes it possible to strengthen our ties with scientific institutions, schools, and young people, and to promote a culture which focusses on issues connected to sport, education, social cohesion and the environment.

Moreover, the Group considers the new generations to be of fundamental importance, and to this end in 2022

launched **5 traineeships and 9 work placement projects**, through which it engages with students to better understand their needs and expectations.

As shown in the graph, most of the donations (about 49%) involve activities and initiatives related to the topic of **Health and Safety**, followed by the issues of **community and assistance** (at 19%).

In 2022, Lipik Glas made a number of financial donations, namely:

-  As in 2021, the company supported the organisation of the **FIBA 3x3 Challenger 2022 tournament**, a major event which is dear to the Croatian community, also creating glass plaques for the occasion.
-  It supported the **local sports association** – Bowling Club and the organisation of the *RangerRUN* race in Papuk National Park.
-  It supported a local family whose two children needed a heart transplant.
-  Further, Lipik Glas was instrumental in forming the Economic Council of the City of Lipik. This advisory body provides economic and development consultancy programmes, proposes initiatives to encourage local business development and fosters collaboration with institutions and bodies.
-  In addition, in 2022 Lipik Glas organised an open day for workers and their families, organising visits to the plant.

### ***“Corporate sustainability”***

During the 2022/23 school year, Isoclima participated in the **“Business Sustainability”** project work organised by the Education Area of Confindustria Veneto Est to raise awareness among high school students on issues such as the **culture of sustainability** as a main vector in the trajectories of business development, but also to collect ideas from the generation of the green transition. Throughout the school year, 151 students from 8 classes in 6 high schools were involved, working on Project Work proposals from 8 different companies in the area. In particular, Isoclima collaborated with the Atestino Institute.

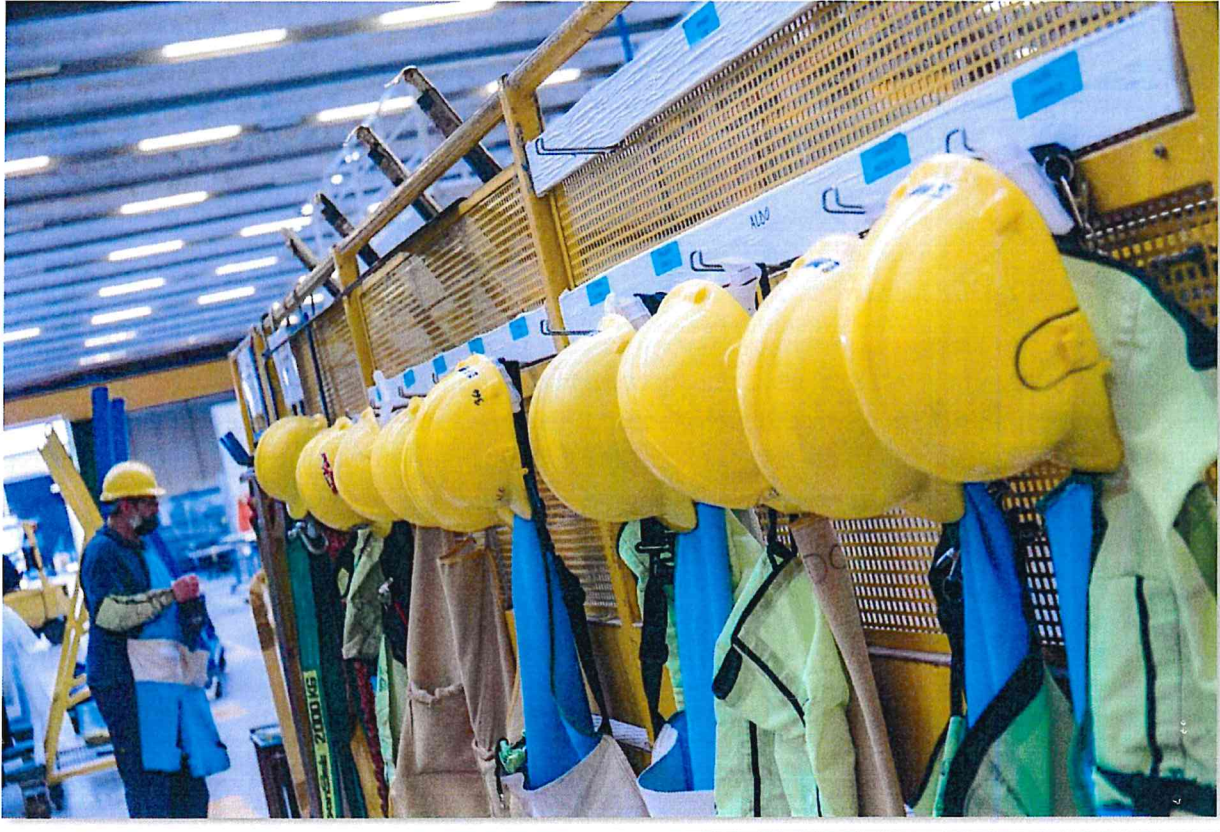
### ***Work-placement project “Direzione: verso il lavoro” (“Direction: work”)***

In December 2022, Isoclima collaborated in the implementation of the project **“Direction: work”**, in collaboration with the Institute **“Euganeo”**. The aim was to bring young people closer to the world of work, introducing them to the company’s basic organisational and management skills, as well as giving them a grounding in glass processing techniques. The project, which lasted until May 2023, involved several moments in which it was possible to discuss various issues, including ESG.

### ***“Isoclima meets Art”***

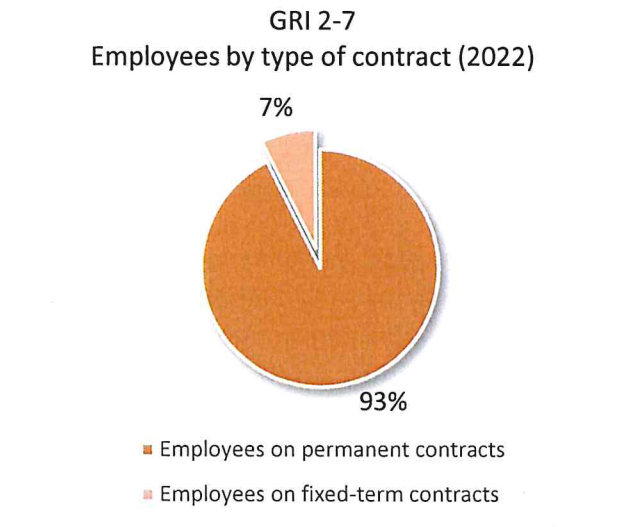
During 2022, Isoclima launched a project, in collaboration with the **Cultural Association ALIdARTE APS**, supporting art and the enhancement of the local community, expressed through the **AZIENDEinARTE** project. This involved a series of meetings/workshops for children, designed to develop their creativity within the spaces of the company. Isoclima and ALIdARTE are two very different entities that have come together to enhance the territory by developing environmental and sustainability issues.

# 6. People



### 6.1 The management and development of our human capital

Isoclima strives for excellence in its human resources through continuous professional improvement and the involvement of staff at all levels. Our people and business partners are an essential resource for the creation of value. That's why we are committed to upholding respect for diversity, workers' rights and promoting well-being and professional growth. We achieve this by ensuring a working environment that allows people to be themselves and do their best.



With these as central drivers, Isoclima uses collective bargaining agreements and is committed to establishing and promoting stable, long-lasting relationships with our staff, based on the principles of loyalty, trust and collaboration. In this respect, it is worth noting that remuneration is in accordance with the National Collective Bargaining Agreement (NCBA Glass Industries), with a second-level agreement for the management of performance bonuses, and that a MBO approach is adopted for certain roles. Isoclima also determines the remuneration of employees based on a correlation between role/job function and job category, while for indirect staff the Group refers to the salary benchmark of the respective geographical area.

In 2022, the ratio between the total annual salary of the person in the organisation with the highest salary and the total median annual salary of all employees of Isoclima S.p.A. was 12, a slight decrease compared to 2021, when this ratio reached a value of 12.2. This indicator was calculated considering only the parent company Isoclima S.p.A.

76% of Group employees are covered by collective bargaining agreements. In particular, 100% of the employees of Isoclima S.p.A. and Lipik Glas d.o.o. are covered by such agreements, while among the employees of the American companies only 46% of the resources are covered by a trade Union agreement.



**76%** Employees covered by collective bargaining agreements

As of 31 December 2022, the total workforce of the Group comprised 1,227 employees and 221 external business partners. Around 93% of employees are hired on permanent contracts, while only 7% are hired on fixed-term contracts. This represents a clear message about the types of contractual relationships we as a Group favour, with a view to fostering organic growth of our business.

Moreover, as highlighted in our Code of Ethics updated in 2022, our staff recruitment and management process is conducted in full compliance with the principles of transparency and fairness, and we condemn any type of practice that involves the hiring of employees or business partners based on specific recommendations from third parties or in exchange for advantages for the Group .

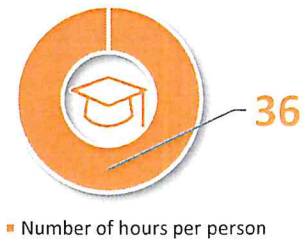
### 6.2 Continuous employee development

The Group attaches great importance to the development of its human resources. In particular, it is committed to ensuring a stimulating work environment so as to develop and boost talent and preserve manufacturing expertise. In this regard, Isoclima invests heavily in the professional development of its employees, to increase their professionalism and to preserve and nurture specific knowledge.

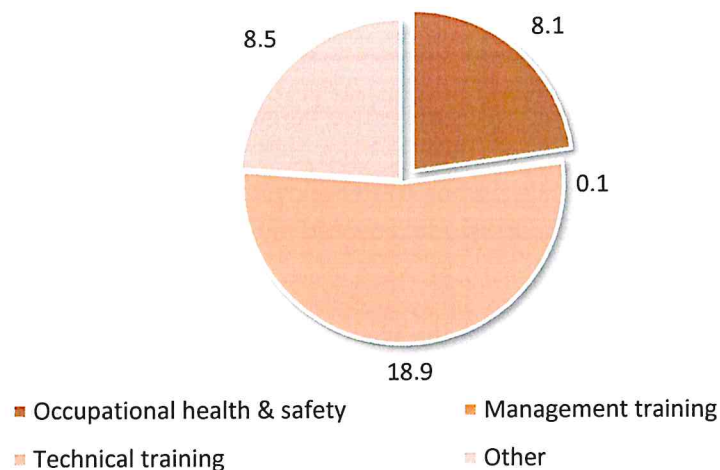
In Isoclima’s professional and working environment, everyone is called upon to perform their duties with the responsibility, commitment and diligence necessary for the type of job they perform. At Isoclima, merit, competence and professionalism are a prerequisite for the Group's growth and development in national and international markets. To this end, it is committed to promoting training, continuing professional development and equal growth opportunities for all employees and collaborators.

The Isoclima training plan included the development of numerous training courses, totalling approximately 36 hours per person in 2022 (33 hours per person for men and 45 hours per person for women). Training courses cover all areas, ranging from health and safety issues to specific courses for managerial staff and employees working in operational roles. In addition, in 2022 specific training was delivered on the new Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.

GRI 404-1: Hours of training per person (2022)



GRI 404-1: Hours of training per person (2022)



### 6.3 Occupational health and safety

In pursuing its business objectives, the Isoclima Group is committed to protecting the health and safety of its employees and those who interact and collaborate with the company, and to ensuring respect for and protection of the environment as an integral part of its business.

Our Health and Safety Management System covers all employees, regardless of the type of contract, and extends to any individual conducting activities on any of our sites, as they are deemed to have the equivalent status of workers.

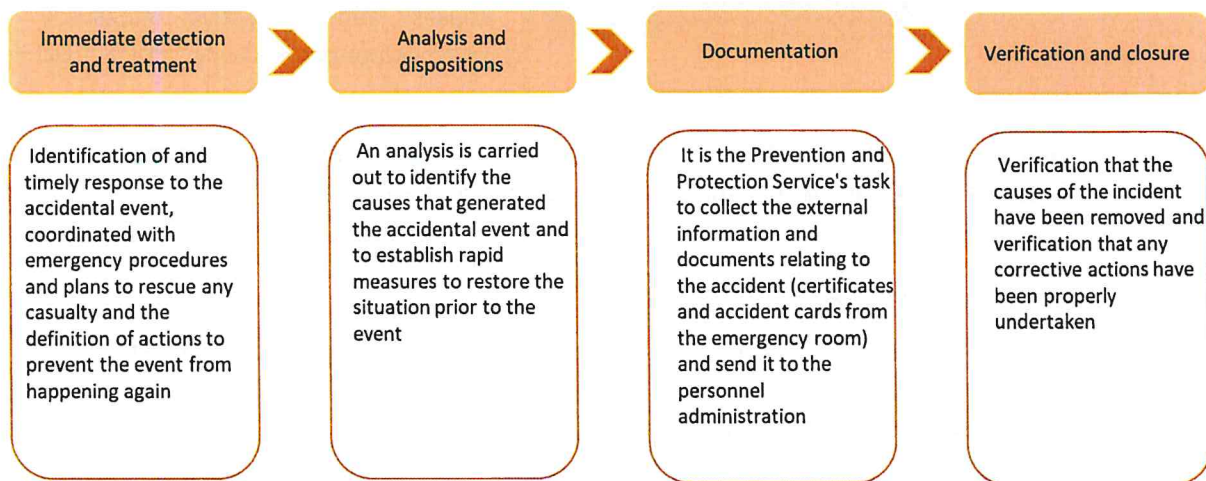
In 2022, the Group updated its HSE Policy which sets out its commitments to making available all human, technological, financial resources and specialist skills necessary to implement, control and uphold the Group’s Safety Management Systems, in order to improve the working conditions of our employees and prevent work-related injuries and illnesses. This policy is distributed to all employees, and also describes the general purposes of our accident prevention and protection system, with the aim of ensuring adequate protection in terms of health and safety.

To support this, we’ve promoted the implementation of a management system and a set of procedures that formalise good safety practices and actions to be implemented to safeguard the health and safety of workers through a series of specific activities.

It is worth noting that employees are also involved in the evaluation of the management system, mainly through the Workers' Health and Safety Representatives, during the annual management review and the meetings that are held periodically in accordance with article 35 of Legislative Decree 81/2008. Moreover, on a quarterly basis, Workers' Health and Safety Representatives and the accident prevention and protection team hold meetings in order to exchange views and discuss issues regarding the health and safety performance of workers, to ensure that all workers operate in compliance with the main regulations.

As a demonstration of the importance that the Group places on these issues, since 2006, Isoclima S.p.A. has implemented an Occupational Health and Safety Management System certified according to the OHSAS 18001 standard, which migrated to UNI EN ISO 45001:2018 from 2019. The production sites of Lipik Glas d.o.o. and Isoclima S.p.A. are covered by the Health and Safety Management System<sup>4</sup>, and an integration plan for the remaining sites is underway.

Moreover, Isoclima has prepared a specific internal policy document for accident management, which is made available to all staff. It details the procedures to be followed for accident management to ensure any accidents are dealt with in careful, timely and responsible manner. With specific regard to the Italian plant, the policy defines the steps to be followed in the event of accidents, and these are shown in the chart below.



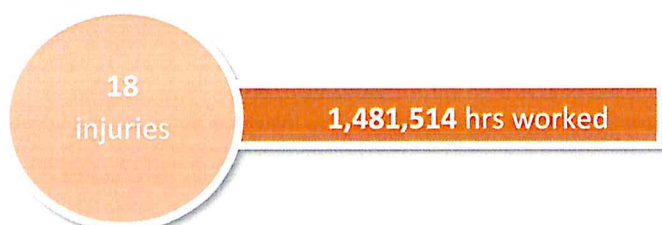
Any reported dangers, shortcomings in method, or shortages of equipment are governed by the same Policy and communicated to the HSE team, through department heads, the site Workers' health and safety representatives or directly to the relevant HSE department. The utmost fairness and transparency is also guaranteed through the involvement of the workers' health and safety representatives and compliance with the Code of Ethics.

<sup>4</sup> The Group’s smaller sites based in via Primo Maggio 2 in Borgo Veneto, via G. Di Vittorio 3 in Borgo Veneto, via Caldeviso 23 in Este, via L. Da Vinci 37 in Este, as well as the production facilities in Mexico and in the USA, are not included in the totals.

In addition, Isoclima S.p.A. has appointed a doctor who works with the Employer to conduct risk assessments and identify risks which may have consequences for worker health and safety in all its plants. This is done in accordance with the PGI200 management system "Identification and Assessment of Environmental Impacts – Planning, Hazard Identification, and Risk Assessment", updated according to the UNI ISO 31000 "RISK MANAGEMENT" standards.

On the basis of the risk assessment, the doctor has drawn up a health protocol, which details medical examinations that should be conducted, for example before a new employee is hired or when requested by a worker when leaving the company. Where required and specific to the performance of certain roles, doctor's examinations are supported by clinical examinations. The results of any such examinations are contained within employees' medical record, and managed by the doctor with the utmost respect for privacy. Only pertinent information is revealed to the Employer. This in turn is made known to supervisors and managers, in order to ensure that workers with specific limitations are not required to perform activities that may expose them to unacceptable risks.

To guarantee the application of the correct prevention and protection measures, periodic inspections are carried out jointly with the Prevention and Protection service on the various business sites, to assess how any changes to production processes may impact risk assessments that have already been conducted and shared. It is worth noting that the number of injuries fell by 25%, from 24 in 2021 to a total of 18<sup>5</sup> work-related injuries suffered by employees of the Group and 2 by external employees in 2022, all of which were minor. Accidents mainly refer to injuries occurring in the course of work, during the use of cutting tools, and other injuries occurring during production.



For each accident occurring during the year, an analysis is carried out aimed at identifying the causes and corrective measures and any improvements necessary, where feasible.

In 2022, a number of corrective measures and improvements were identified, and Isoclima S.p.A. has begun to implement these measures, and will continue to do so throughout 2023.



#### Future improvement measures

- 1- Continuous drive to record "near misses" for the prevention of accidents;
- 2- Assessment of automation processes to reduce repetitive motion and vibration and to increase upper limb protection.

Each injury is analysed using the "5 Whys" technique, through a special form that is shared with the main actors involved.

As regards Lipik Glas, the business has implemented an ISO 45001-certified management system and conducts continuous improvement in accordance with the requirements of the standards, the OHS policy, the company's objectives, the needs and expectations of interested parties, and its opportunities and risks. Moreover, all

<sup>5</sup> The reporting perimeter for H&S data does not include data for the Dlubak Specialty Glazing Corporation (USA) and Global Security Glazing (USA) facilities



employees are provided with a training course in order to share and improve information channels and knowledge on safety issues and, where possible, to reduce or eliminate health and safety risks.

In order to pursue this goal, an occupational health safety (OHS) committee has been formed (consisting of a specialist OHS doctor, an employer's representative, an OHS officer, and an OHS expert). The committee meets once every six months to discuss possible improvement interventions.

The Group undertakes to communicate in a transparent manner, striving to understand the needs and expectations of its stakeholders in order to actively involve them in the process of improving safety management and provide them with timely information about potential risks in the workplace.

At the Isoclima de Mexico business site, an OHS Commission has been set up comprising production and administrative staff. Its members are certified by the STPS<sup>6</sup> and their role is to carry out activities to safeguard the health and safety of company employees in accordance with the NOM 019 STP<sup>7</sup> and NOM 030 STP<sup>8</sup> Standards.

In addition, the Mexicali business site has also conducted a TRA (Análisis de Riesgo de la Tarea ) which covers all occupational risks to which workers and suppliers are exposed, and has made employees aware of the risk control and mitigation measures to apply.

To support this, Isoclima de México has conducted a study of lighting levels in the workplace: for poorly lit areas the company will provide lamps or lighting systems that ensure good lighting for workers, and will conduct further monitoring in 2023.

#### 6.4 Diversity, equity and equal opportunities

Isoclima firmly believes that the values of diversity and inclusion are sources of inspiration and tools of wealth generation that will allow us to progress both as a culture and in terms of social well-being. For this reason, the Group is committed to pursuing and spreading a culture of dignity and gender equality, ensuring non-discrimination and equal opportunities in selection and recruitment processes, adopting transparent promotion criteria and ensuring fair pay for the same role.

The Group operate in full respect of the value of each individual person and their human rights, and uphold the values of the Universal Declaration of Human Rights, the Recommendations of the International Labor Organisation and the SA8000 standards.

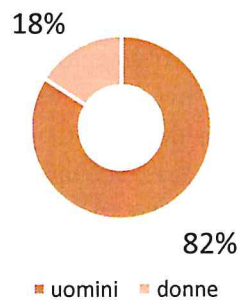
As evidence of Isoclima's commitment to condemn any discriminatory behaviour, an Anti-Discrimination Policy was drawn up in 2022, in which the group undertakes to ensure that all internal and external employees and collaborators, including those with short-term contracts and third parties employed by recruitment agencies, work in an environment free from discrimination and harassment. "Work environment" means any place where work is conducted, including conferences, training sessions and business trips.

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<sup>6</sup> Secretaría del Trabajo y Previsión Social (STPS) is a Mexican government agency that monitors respect for the rights of workers and their families, to guarantee improved living standards.

<sup>7</sup> NOM 019 STP sets out the requirements for the formation, integration, organisation and operation of occupational health and safety committees.

<sup>8</sup> NOM 030 STP sets out how to identify, analyse, prevent and mitigate the risk factors in the workplace deriving from the manual handling of loads, in order to reduce health risks to workers. This standard helps organisations develop a plan for each area and implement relevant solutions to eliminate or mitigate each risk identified.

GRI 405-1: Employee diversity  
(2022)

Given the sector in which the Group operates and the activities and processes it is called upon to carry out, Isoclina's workforce features a much larger number of men than women. In particular, in 2022 there was a significantly higher number of male workers (771 male workers compared to 138 female workers).

The Group's commitment to promote an inclusive, non-discriminatory working environment ensuring equal opportunities is highlighted in its Anti-Discrimination Policy.

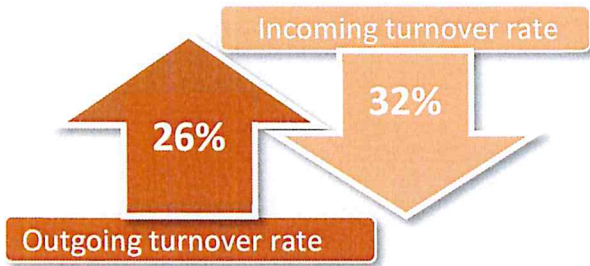
Moreover, within its Work Rulebook, updated in 2022, the Croatian business site embodies the Groups commitment to equal opportunities by assessing job applicants solely

on their skills and experience, with a view to promoting the development and growth of its human resources and stamping out any form of discriminatory behaviour in any workplace. In order to make these objectives concrete, Lipik Glas has made it compulsory for employers to appoint an authorised person or commission to collect and resolve employee complaints relating to discrimination. In addition, in accordance with the law, there is an obligation for companies to have 3% of its workforce made up of people with disabilities.

Below we provide a brief description of the issues identified and the related activities that we are committed to improving:

1. **Gender equality:** within our ESG Action Plan 2022, we have set out new KPIs to monitor the total percentage of women recruited (women recruits), and the total number of women employees within the Group (women headcount);
2. **Architectural barriers:** we are progressively eliminating any remaining infrastructural barriers;
3. **Work agreements:** we offer a range of employee benefits, such as agreements with kindergartens, rather than a cash bonus;
4. **Dialogue with schools and universities:** we arrange initiatives within schools to increase students' awareness of Isoclina, with the creation of guidance days and career advice days at schools and universities;
5. **Dissemination of our code of ethics:** we ensure the rules on gender diversity that are contained within our new code of ethics are widely available.

In 2022, the Group as a whole saw a total incoming turnover rate of 32% (30% men and 42% women) and an outgoing turnover rate of 26% (27% men and 19% women). The Group's high turnover rates in terms of income and expenditure are due to a number of exogenous factors linked to the socio-economic context in which Isoclima de Mexico operates.



In addition, 2022 data for Global Security Glazing and Isoclima Specialty Glass showed a high rate of both incoming and outgoing turnover, due mainly to reasons of wage competitiveness compared with other manufacturing companies in the district. However, it is worth noting that in 2023, the companies have committed to a series of better contracts to increase employee retention. In

this respect, taking Isoclima S.p.A. and Lipik Glas alone, the incoming and outgoing turnover rates would be 12% and 9.8% respectively.

## 7. The Planet

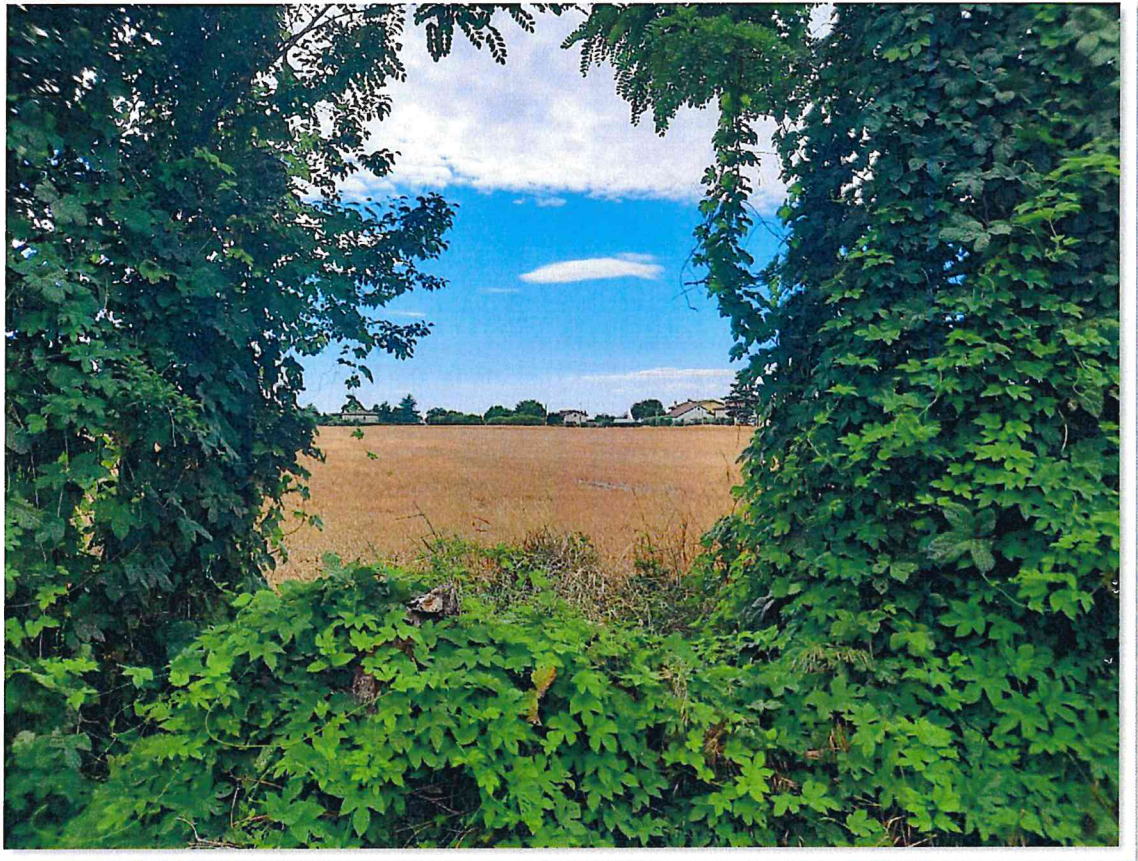


Photo created by Monica Zago for the 2022 *Photo Contest*

## 7.1 Sustainable progress

Since its inception, Isoclima has considered sustainable engagement not as mere compliance with regulations, but as an integral part of its strategic business decisions. Hence, the environment is regarded and protected as a primary asset, and the company directs its activities to ensure the best possible balance between economic initiatives and environmental needs, respecting the law but also taking into account the sustainable use of natural resources.

The numerous projects, environmental certifications and programmes undertaken related to social and environmental sustainability are proof of the Group’s commitment to the territory and the planet, for the benefit of all stakeholders.

The Isoclima Group adopts innovative solutions in order to gradually improve its environmental performance: improved energy savings, the use of renewable energy sources and the reduction of waste. In addition, it is committed to reducing the amounts of waste, discharges and emissions into the air generated.

As well as raising awareness on sustainable development, the Isoclima Group regards staff training in this area as essential. People in management roles and the sectors most involved in environmental issues have been able to participate in ad hoc courses, while the entire corporate workforce is engaged through the communications published on the Group’s social media. The Isoclima Group’s commitment to environmental issues also extends outside the company perimeter by raising awareness among its partners and establishing collaborations with qualified third parties.

The Isoclima Group Sustainability Policy is based on the six capitals model (financial, manufactured, intellectual, human, social and relationship, and natural), to guarantee a business approach based on sustainable growth. The diagram below summarises the criterion that Isoclima adopts in managing environmental issues and the values underpinning its low-carbon transition path.



Indeed, over the last few years Isoclima has carried out a number of projects with the aim of defining integrated sustainability strategy objectives. In the first half of 2021, data was collected to determine the Isoclima S.p.A. **Corporate Carbon Footprint**, and in 2022 a third party analysed the management methods used and the results achieved to certify their compliance. In 2022, Isoclima continued to work on the organisation’s Carbon Footprint with the aim of extending this certification to the whole Group by the end of 2023. At the same time, in 2022 Isoclima carried out its **Product Carbon Footprint** which considers the set of products that are most important for the Group’s business, namely all types of armoured glass for civil and military vehicles, and implemented a management system that complies with the requirements of ISO 14067:2018.

In addition, the Isoclima Group is committed to continuously updating the [www.isoclimagroup.com](http://www.isoclimagroup.com) website, through which it makes its activities in the field of sustainable development known to the community.



*“Safeguarding the Planet through targeted initiatives”*

For Isoclima, committing to environmental protection and emission reduction is an investment for the future and a sign of respect for future generations rather than a mere regulatory obligation.

Through the continuous development of new production processes and an eco-design logic, Isoclima guarantees high quality products without ever neglecting the environmental performance of these products, with a view to transitioning towards production with a low environmental impact.

In its Health, Safety and Environmental Policy, Isoclima is committed to systematically detecting the environmental impacts of its activities, understanding their effects and identifying their causes, in order to increase environmental awareness at all levels. In addition, the Policy requires programmes to be put in place to reduce energy and raw material consumption, in order to prevent pollution and minimise the environmental impacts arising from the Group’s production activities, also by using processes and technologies that prevent and/or reduce interactions with the environment.

*“Our winning strategy”*



Isoclima is driven by continuous improvement both in its production processes and technologies and in the field of environmental performance. Thus, an Environmental, Social and Governance (ESG) strategy has been outlined to facilitate and monitor projects related to social and environmental issues. For over a decade, Isoclima has been certified according to ISO 14001, an international standard that assesses the environmental management system of companies, with a view to improving the Group’s sustainability performance.

The ISO 14001 management system was later extended to the Lipik Glas site. Moreover, in 2022 the companies were audited by a third-party entity to verify the correctness and adequacy of the rules implemented; the audit did not detect any non-compliances.

Isoclima’s emissions reduction path is consistent with current legislation and with the emissions reduction roadmap set out in the 2030 Agenda and other European and global initiatives.

The Group's Management is actively involved in the definition of ESG strategies, which must be the starting point for all Group decisions. Only by integrating social and environmental issues with economic issues can the goals of sustainable development be pursued.

Through the certified management system and the Health, Safety And Environmental Policy published in 2019 and subsequently updated in 2022, Isoclima S.p.A. integrates the various environmental issues into the company's usual decision-making processes in order to converge its production activities with the goals of emission reduction and environmental protection.

We can confirm that for 2022 **no fines were incurred for violations of environmental laws or regulations.**

As regards the following paragraphs, as already pointed out in the Methodological Notes, it should be noted that the reporting perimeter for Isoclima's environmental data only includes data relating to the production sites of Isoclima S.p.A. (Italy), Lipik Glas (Croatia) and Isoclima de Mexico (Mexico).

#### The Company Management aims to:

- *Protect the environment, and health and safety of workers;*
- *Protect the values of the company itself;*
- *Use processes and technologies that reduce interactions with the environment;*
- *Use energy resources and raw material wisely.*

## 7.2 Energy consumption and emissions

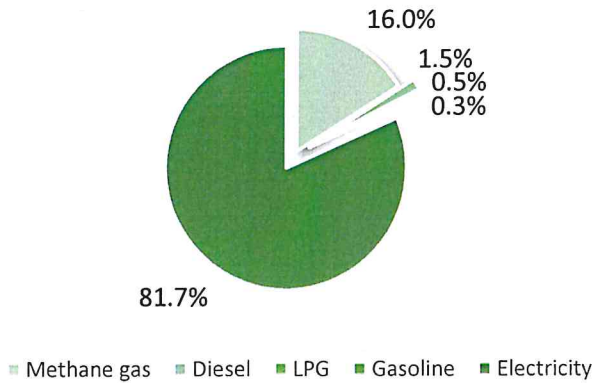


Isoclima has always paid particular attention to the issue of energy efficiency. In this regard, it focuses its activities on the production of high-quality products, whose higher energy consumption due to production stems from the use<sup>9</sup> of natural gas (21,495 GJ in 2022 compared to 23,342 GJ in 2021) and the purchase of electricity (109,600 GJ in 2022 compared to 106,230 GJ in 2021). Energy is consumed both within the Group's production processes and for activities that are not part of production processes (e.g. powering company cars).

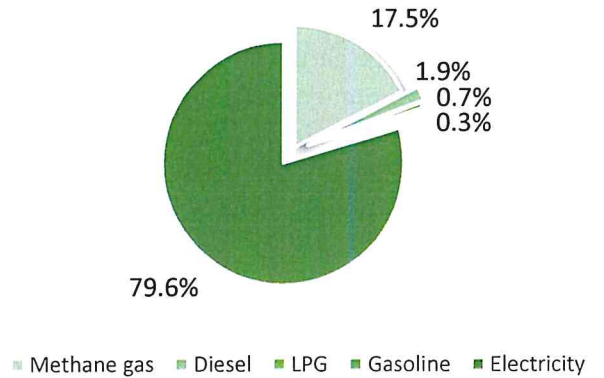
<sup>9</sup>To calculate energy consumption in GJ, we made reference to the conversion factors defined by the UK Government GHG Conversion Factors for Company Reporting (Year 2022).

The percentage of electricity used compared to the total increased from 79.6% in 2021 to 81.7% in 2022, leading to a slight decrease in consumption of other energy sources.

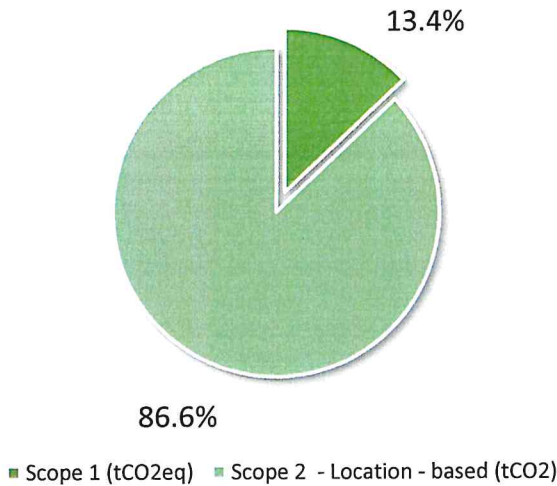
GRI 302-1: Energy consumed (GJ) (2022)



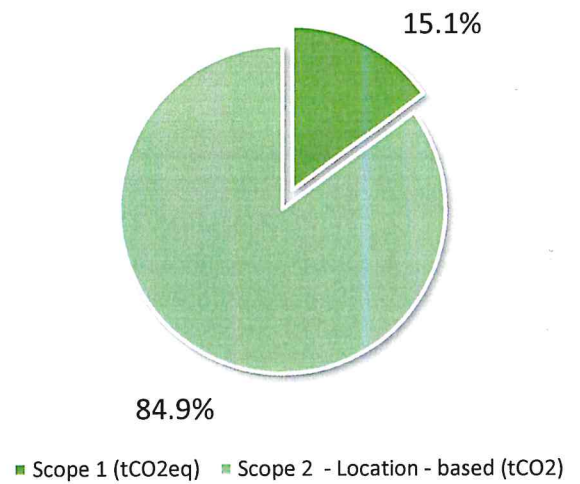
GRI 302-1: Energy consumed (GJ) (2021)



GRI 305-1 and 305-2: Emissions (2022)



GRI 305-1 and 305-2: Emissions (2021)



In 2022, Group emissions were 10,588 tCO<sub>2</sub><sup>10</sup> (10,453 tCO<sub>2</sub> in 2021), of which 1,420 tCO<sub>2</sub>eq were direct emissions (1,577 tCO<sub>2</sub>eq in 2021), while 9,168 tCO<sub>2</sub> were indirect Scope 2 emissions (calculated with the location-based

<sup>10</sup>The GRI Sustainability Reporting Standards set out two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". The Market-based method is based on CO<sub>2</sub> emissions emitted by energy suppliers from which the organisation purchases electricity through a contract. This can be calculated considering: Energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors relating to the "residual mix", i.e. non-monitored or unclaimed energy and emissions (methodology used, with Italian 2022 emission factor 0.457 kgCO<sub>2</sub>/kWh - source: AIB - European Residual Mixes 2022, with Croatian emission factor: 0.466 kgCO<sub>2</sub>/kWh - source: AIB - European Residual Mixes 2022, with Mexican emission factor: 0.377 kgCO<sub>2</sub>/kWh-source: TERNA 2019). The Location-based method is based on average emission factors relating to energy generation for well-defined geographical borders, including local, sub-national or national borders (methodology used, with Italy 2022 emission factor: 0.315 kgCO<sub>2</sub>/kWh - Source: Terna 2019, with Croatian emission factor: 0.239 kgCO<sub>2</sub>/kWh - Source: Terna 2019, with Mexican emission factor: 0.377 kgCO<sub>2</sub>/kWh - Source: Terna 2019).

The emission factors used for the Scope 1 calculation adopt the UK Government GHG Conversion Factors for Company Reporting (Year 2022).



method) due exclusively to the purchase of electricity from non-renewable sources (8,876 tCO<sub>2</sub> in 2021). Regarding purchased electricity, Scope 2 emissions, calculated using the market-based method, totalled 13,733 tCO<sub>2</sub> (13,361 tCO<sub>2</sub> in 2021). Scope 1 emissions represent 13.4% of total emissions and are mainly due to the consumption of natural gas.

To constantly monitor energy consumption and the consequent GHG emissions, an energy diagnosis is regularly carried out by the Group's energy manager. This constitutes the basis for a series of efficiency initiatives to be put into practice in the following year.

The Isoclima Group is concretely committed to reducing its atmospheric emissions, as confirmed by our achieving the ISO 14064-1 certification, which covers the quantification of emissions of greenhouse gases. This certification is not the final goal of the emissions-reduction roadmap, but rather a first step towards “carbon neutrality” on which to base the implementation of a credible and adequate decarbonisation strategy to reduce the Group’s climate impact.



Within the context of energy efficiency and renewable energy production, in 2022 Isoclima S.p.A. completed the construction of a photovoltaic plant at our Saletto (PD) site. It has a power of 49.5 kW, capable of producing approximately 60,000 kWh annually.



In 2022, installation of a photovoltaic plant at the Lipik Glas site was completed. The installed power is 1,541 kW, and is capable of producing approximately 1,793,576 kWh per year.

In the long term, the Isoclima Group intends to adapt its plants to the use of hydrogen as an alternative energy source. As this is a highly energy-intensive sector, suppliers are already moving in this direction according to the regulations of their respective countries.

#### ISOMEX SUSTAINABILITY PROJECTS

In the coming years, *Isoclima de Mexico* has committed to:

- ⇒ Complete the **switch to LED lamps** in both plants to reduce electricity consumption and improve lighting conditions.
- ⇒ Promote a process of **energy saving** by replacing the old THERMOSTAT technology with a high-tech one, programmable through SMART WI-FI.
- ⇒ **Reduce water consumption** for production processes by improving the efficiency of the consumption monitoring system and through the water leakage report campaign

Scope 2 emissions are expressed in tons of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO<sub>2</sub>equivalents) as detailed in the reference technical literature.

On June 17, 2021, our Lipik Glas plant received notification from the eFunds system regarding the subsidisation of a number of projects aimed at increasing competitiveness and energy efficiency, and the Government has agreed to be among the co-financiers of some of these initiatives: To date, the following initiatives have been launched and are expected to be completed by 2023:

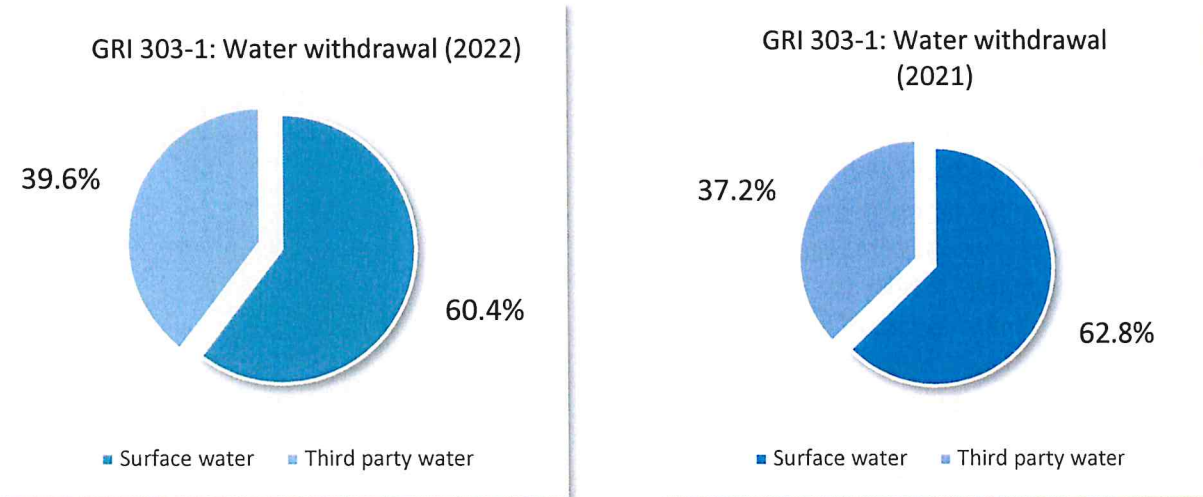
- **Replacing existing lighting with LED lighting:** existing lighting systems will be replaced with more efficient LED lighting systems across approximately 90% of the plant. The 10% that will not be replaced consists of sections where there are currently no production lines. This includes indoor and outdoor lighting.
- **Heat pumps for the office building:** the old gas boiler system will be replaced by a heat pump system;
- **Installation of smart meters:** smart meters and devices capable of providing more detailed monitoring of energy consumption will be installed (on the Glasstech, TaiFin and Scholz machines, which are the three that consume the most energy). This new system will make it possible to monitor and control energy consumption within a specific programme or product. This will allow us to obtain the exact parameters required for determining the price of the product;
- **Improvements to electrical compensation on power stations:** *With this investment we will therefore try to eliminate the additional costs of reactive energy*

### 7.3 Water resource management

Isoclima believes that water is a valuable resource and needs to be protected, particularly given the water crises that are increasingly occurring due to climate change. The actions taken by the Group to reduce water use mainly concern improving the efficiency of water use through purification and reusing the water used during certain production processes. Water consumption is constantly monitored: the company's internal target is not to exceed 300 litres per m<sup>2</sup>, given by the ratio of the litres used per square metre of product produced. In 2022, the Group amply achieved its target with a figure of 186.8 litres per m<sup>2</sup>.

The environmental management system we have implemented provides continuous monitoring of water consumption with a view to promptly detecting any leaks potentially caused by broken pipelines/plants or inefficient use. Consumption is periodically monitored through the manual reading of the meters, in collaboration with the local supplier, the Consorzio Acque Venete, with whom Isoclima S.p.A. has established a long-term cooperation relationship. Indeed, the system implemented identifies consumption hotspots and implements corrective actions and improvements. The data is collected and analysed annually, and then reviewed and compared with the values recorded in previous years. In addition to the operational systems put in place, the Group endeavours to raise staff awareness on the conscious and sustainable use of water resources.

Water is used for both sanitation and production purposes; however, the second use is the most significant. Indeed, water is an indispensable element during Isoclima's various production processes, as it ensures the correct processing of glass, its cleaning and the optimal functioning of the company's machinery.



60.4% of the water used in 2022 comes from surface water<sup>11</sup>, while the remaining 39.6% is purchased from third parties and comes from the aqueduct; compared with 2021, there is a slight decrease in the consumption of surface in favour of third-party water. Moreover, water consumption increased from 87.4 megalitres in 2021 to 82.5 megalitres in 2022.

Isoclima aims to limit water consumption, and to this end purification systems have been implemented to make its use more efficient. Discharges are managed through the sewer system (white or black water depending on the case) for both civil and industrial discharges; all discharges are properly authorised and regularly monitored.

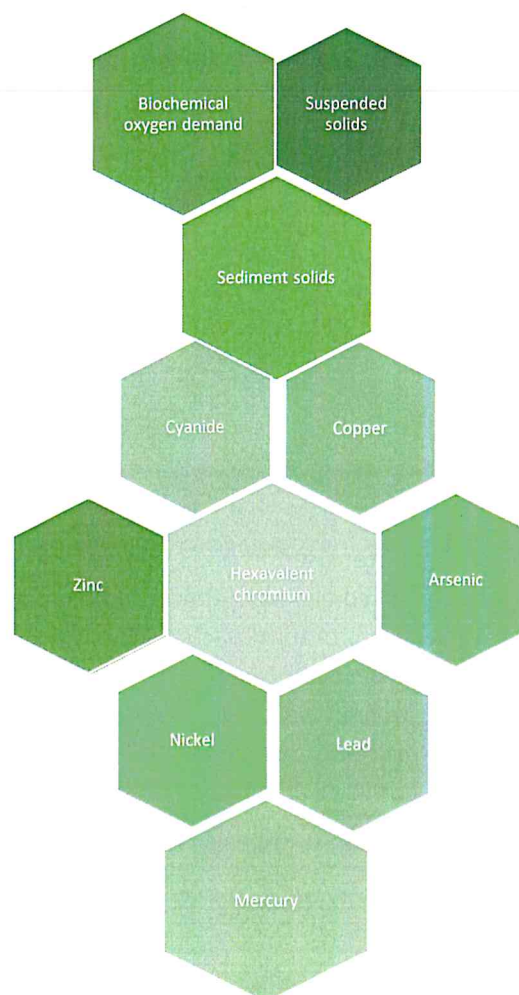
<sup>11</sup> Isoclima de Mexico is located in an area with mild water stress. Its water consumption comes from surface water and totals 8 megaliters.

Water discharges are covered by Legislative Decree 152/2006, which sets limits on the main substances contained in wastewater. Isoclima S.p.A.'s processes ensure that most of its wastewater can be discharged into the civil sewage system. With regard to industrial discharges, Isoclima S.p.A. has set the annual target of limiting concentration of pollutants to at most 80% of the limit value authorised for discharges.

In the event of sudden water pollution, the Lipik Glas plant adheres to the National Action Plan for Sudden Water Pollution Events.

As regards our Isoclima de Mexico site, wastewater is discharged directly into the public sewer system; moreover, physical and chemical analysis of the process wastewater is carried out according to the parameters listed in NOM 002 SEMARNAT<sup>12</sup>.

In accordance with NOM 002 SEMARNAT, an annual study is also conducted, which includes measuring the monthly parameters of the pollutants shown in the diagram above.



<sup>12</sup>NOM 002 SEMARNAT is a government standard that establishes the maximum permissible limits of pollutants in wastewater discharges.

## 7.4 Circular waste management

In order to ensure proper management of waste production and disposal, the Group has defined a series of provisions and procedures aimed at monitoring and tracing these processes. Waste management is one of the major factors contributing to Isoclima’s environmental impact, which is why the company is committed to ensuring, through its Health, Safety and Environmental Policy, that waste is managed in such a way as to facilitate recovery and recycling activities instead of disposal. Over the years, the Group has implemented good practices to limit waste generation within its production processes. In order to increase the recycling of waste, specific responsibilities have been identified in the company's organisational charts and environmental management system procedures, certified under ISO 14001:2015.



GRI 306-3: Waste generated (t)  
(2022)



In 2022 the Group generated 4,348 tons of waste (4,832 tons in 2021), of which 99% consisted of non-hazardous waste, and only 1% of hazardous waste (21.9 tonnes). Also in 2021, 99% of the total consisted of non-hazardous waste and 1% of hazardous waste amounting to 25.2 tons. This translates into a 10% decrease in non-hazardous waste generated and a 13% decrease in hazardous waste. It is worth noting that in 2022, part of this waste is due to extraordinary maintenance and not to production activities.

Of all the waste generated in 2022, 3,161 tons were recovered through recycling (<sup>13</sup> 3,103 tons in 2021) and 1,187 tons were landfilled (1,729 tons in 2021).

In order to further reduce the amount of waste generated, over the years Isoclima S.p.A. has established strong links with suppliers and customers to guarantee the reuse of packaging (such as wooden, metal and multi-material crates and frames). Moreover, for years now, we’ve been using reusable cloths for cleaning our screen printing frames, which has enabled us to reduce the quantity of waste produced and consequently requiring disposal. During the two-year 2020-2021 period, washing stations were installed for screen printing and manual painting equipment. These allow washing solvent and downstream waste to be reduced, as they enable products to be reused, meaning only the paint "sludge" requires disposal.

The data relating to waste is managed internally by the Group’s OHS team, which is responsible for ensuring compliance with legal obligations, such as maintaining the waste production and disposal register, compiling all Italian environmental declaration paperwork (MUD), and managing all paperwork at the time of disposal.

<sup>13</sup> This excludes Lipik Glas, whose waste is entirely directed to disposal.

## 8. Appendix

### 8.1 Details of the reported GRI indicators

GRI 2-7&2-8: Information on employees and other workers

Total number of employees divided by type of contract (permanent and fixed term), by gender and geographical area						
Type of contract	as at 31 December 2021			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
Italy			Italy			
Permanent	388	41	429	402	45	447
Fixed-term	62	1	63	47	3	50
Croatia			Croatia			
Permanent	152	65	217	155	73	228
Fixed-term	17	21	38	18	22	40
Mexico			Mexico			
Permanent	90	11	101	82	10	92
Fixed-term	-	-	-	-	-	-
USA			USA			
Permanent	-	-	-	297	73	370
Fixed-term	-	-	-	-	-	-
<b>Total</b>	<b>709</b>	<b>139</b>	<b>848</b>	<b>1,001</b>	<b>226</b>	<b>1,227</b>

Total number of employees broken down by full-time and part-time, by gender						
Full time / Part time	as at 31 December 2021			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
Italy			Italy			
Full-time	449	37	486	448	42	490
Part-time	1	5	6	1	6	7
Croatia			Croatia			
Full-time	169	86	255	173	95	268
Part-time	-	-	-	-	-	-
Mexico			Mexico			
Full-time	90	11	101	82	10	92
Part-time	-	-	-	-	-	-
USA			USA			
Full-time	-	-	-	297	73	370
Part-time	-	-	-	-	-	-
<b>Totale</b>	<b>709</b>	<b>139</b>	<b>848</b>	<b>1,001</b>	<b>226</b>	<b>1,227</b>
Full-time	708	134	842	1,000	220	1,220
Part-time	1	5	6	1	6	7
% Full-time	83.5%	15.8%	99.3%	81.5%	17.9%	99.4%
% Part-time	0.1%	0.6%	0.7%	0.1%	0.5%	0.6%
<b>Totale</b>	<b>709</b>	<b>139</b>	<b>848</b>	<b>1,001</b>	<b>226</b>	<b>1,227</b>

Information about external business partners						
External business partners	as at 31 December 2021			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
<i>Agency workers</i>	17	1	18	40	1	41
<i>Interns</i>	-	-	-	-	-	-
<i>Others</i>	-	-	-	152	28	180
<b>Total</b>	<b>17</b>	<b>1</b>	<b>18</b>	<b>192</b>	<b>29</b>	<b>221</b>

GRI 2-21: Annual total salary ratio<sup>14</sup>

Annual total salary ratio		
	2021	2022
The total annual salary of the person receiving the highest salary	325,000.0	325,000.0
Total median annual salary of all employees	26,683.5	27,115.4
<b>Annual total salary ratio</b>	<b>12.2</b>	<b>12.0</b>
Percentage increase in the total annual salary of the person receiving the highest salary	0.0%	
Median percentage increase in the total annual salary of all employees (excluding the highest paid person)	1.6%	
<b>Ratio of the increase in total annual salary</b>	<b>-</b>	<b>0.0</b>

## GRI 301-1: Materials used by weight or volume

Materials used by weight					
Type of material	as at 31 December 2021 <sup>15</sup>			as at 31 December 2022	
	UoM	Non-renewable	Renewable	Non-renewable	Renewable
Glass	t	1,244.0	3,105.0	1,363.0	3,306.7
Plastic	t	86.7	212.5	80.6	166.8
Metals	t	36.4	0.0	43.7	0.0
Wood	t	694.1	591.7	560.7	691.2
Other Materials	t	14.3	0.5	18.4	0.9
<b>Total</b>	<b>t</b>	<b>2,075.5</b>	<b>3,909.7</b>	<b>2,066.4</b>	<b>4,165.6</b>

## GRI 302-1: Energy consumed within the organisation

Energy consumption						
Type of energy consumed	2021			2022		
	UoM	Total	Total GJ	UoM	Total	Total GJ

<sup>14</sup> This indicator was calculated by considering only the parent company Isoclima S.p.A.

<sup>15</sup> 2021 data relating to material has been amended following an update in the calculation method used.

NON-RENEWABLE FUELS						
<i>Methane gas (Natural Gas)</i>	Scm	648,028	23,342	Scm	599,010	21,495
<i>Diesel</i>	l	69,739	2,506	l	56,456	2,028
<i>LPG</i>	l	40,850	994	l	28,150	685
<i>Gasoline</i>	l	12,917	421	l	11,242	365
<b>TOTAL FUELS</b>	<b>GJ</b>		<b>27,264</b>	<b>GJ</b>		<b>24,574</b>
<b>ELECTRICITY</b>	<b>kWh</b>	<b>29,508,379</b>	<b>106,230</b>	<b>kWh</b>	<b>30,444,448</b>	<b>109,600</b>
<i>Electricity purchased</i>	kWh	29,508,379	106,230	kWh	30,444,448	109,600
<b>TOTAL CONSUMPTION OF NON-RENEWABLE ENERGY</b>	<b>GJ</b>		<b>133,494</b>	<b>GJ</b>		<b>134,174</b>

## GRI 303-3: Water withdrawal by source

Water withdrawal by source	2021			2022		
	UoM	All areas	Of which from water stress areas	UoM	All areas	Of which from water stress areas
<b>Surface water</b>	<b>MI</b>	<b>54.9</b>	<b>8.2</b>	<b>MI</b>	<b>49.9</b>	<b>8.0</b>
Freshwater (≤ 1000 mg/L total dissolved solids)	MI	8.0	8.2	MI	8.0	8.0
Other water (> 1000 mg/L total dissolved solids)	MI	46.9	-	MI	41.9	-
<b>Groundwater</b>	<b>MI</b>	<b>-</b>	<b>-</b>	<b>MI</b>	<b>-</b>	<b>-</b>
Freshwater (≤ 1000 mg/L total dissolved solids)		-	-		-	-
Other water (> 1000 mg/L total dissolved solids)		-	-		-	-
<b>Seawater</b>	<b>MI</b>	<b>-</b>	<b>-</b>	<b>MI</b>	<b>-</b>	<b>-</b>
Freshwater (≤ 1000 mg/L total dissolved solids)		-	-		-	-
Other water (> 1000 mg/L total dissolved solids)		-	-		-	-
<b>Produced water</b>	<b>MI</b>	<b>-</b>	<b>-</b>	<b>MI</b>	<b>-</b>	<b>-</b>
Freshwater (≤ 1000 mg/L total dissolved solids)		-	-		-	-
Other water (> 1000 mg/L total dissolved solids)		-	-		-	-
<b>Third party water</b>	<b>MI</b>	<b>32.5</b>	<b>-</b>	<b>MI</b>	<b>32.7</b>	<b>-</b>
Freshwater (≤ 1000 mg/L total dissolved solids)		30.9	-		32.0	-
Other water (> 1000 mg/L total dissolved solids)		1.6	-		0.6	-
<b>Total</b>	<b>Megalitres</b>	<b>87.4</b>	<b>8.2</b>		<b>82.5</b>	<b>8.0</b>

## GRI 305-1&amp;305-2: Direct (Scope 1) GHG emission &amp; Energy indirect (Scope 2) GHG emissions

	2021	2022
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Direct (Scope 1) greenhouse gas emissions	UoM	Quantity	tCO <sub>2</sub> eq	UoM	Quantity	tCO <sub>2</sub> eq
Natural gas	Scm	648,028	1,309.9	Scm	599,010	1,207.4
<b>Fuel / car fleet</b>						
Diesel	l	69,739	175.2	l	56,456	144.4
LPG	l	40,850	63.6	l	28,150	43.8
Gasoline	l	12,917	28.3	l	11,242	24.3
<b>Total</b>			<b>1,577</b>			<b>1,420</b>
<b>Indirect (Scope 2) greenhouse gas emissions</b>						
		<b>2021</b>		<b>2022</b>		
	UoM	Quantity	tCO <sub>2</sub>	UoM	Quantity	tCO <sub>2</sub>
<b>LOCATION BASED</b>						
<i>Italy boundary</i>	kWh	18,128,476	5,710.5	kWh	19,153,375	6,033.3
<i>Croatia boundary</i>	kWh	8,148,083	1,947.4	kWh	8,128,793	1,942.8
<i>Mexico boundary</i>	kWh	3,231,820	1,218.4	kWh	3,162,280	1,192.2
<b>TOTAL</b>	<b>kWh</b>	<b>29,508,379</b>	<b>8,876</b>	<b>kWh</b>	<b>30,444,448</b>	<b>9,168</b>
<b>MARKET BASED</b>						
<i>Italy boundary</i>	kWh	18,128,476	8,321	kWh	19,153,375	8,753.1
<i>Croatia boundary</i>	kWh	8,148,083	3,821	kWh	8,128,793	3,788.0
<i>Mexico boundary</i>	kWh	3,231,820	1,218	kWh	3,162,280	1,192.2
<b>TOTAL</b>	<b>kWh</b>	<b>29,508,379</b>	<b>13,361</b>	<b>kWh</b>	<b>30,444,480</b>	<b>13,733</b>

## GRI 306-3: Waste generated

<b>Waste generated</b>			
Type of waste	UoM	2021	2022
		Total	Total
<i>Hazardous waste</i>	t	25.2	21.9
<i>Non-hazardous waste</i>	t	4,806.8	4,326.2
<b>TOTAL</b>	<b>t</b>	<b>4,832</b>	<b>4,348</b>

## GRI 306-4: Waste diverted from disposal

<b>Total weight of waste diverted from disposal</b>			
Type of waste	UoM	2021	2022
		Total	Total
<i>Hazardous waste</i>	t	18.6	7.1
<i>Non-hazardous waste</i>	t	3,084.7	3,154.1
<b>Total</b>	<b>t</b>	<b>3,103</b>	<b>3,161</b>

<b>Total weight of waste diverted from disposal by recovery method</b>									
Method of disposal	2021					2022			
	UoM	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
<i>Hazardous waste</i>	t	18.6	-	18.6	1%	7.1	-	7.1	0%
<i>Reuse</i>	t	-	-	-	-	-	-	-	-

Recycle	t	18.6	-	18.6	1%	7.1	-	7.1	0%
Non-hazardous waste	t	2,471.7	613.0	3,084.7	99%	2,690.8	463.3	3,154.1	100%
Reuse	t	-	-	-	-	-	-	-	-
Recycle	t	2,471.7	613.0	3,084.7	99%	2,690.8	463.3	3,154.1	100%
<b>Total</b>	t	<b>2,490.3</b>	<b>613.0</b>	<b>3,103</b>	<b>100%</b>	<b>2,697.9</b>	<b>463.3</b>	<b>3,161.2</b>	<b>100%</b>

## GRI 306-5: Waste directed to disposal

Total weight of waste directed to disposal			
Type of waste	UoM	2021	2022
		Total	Total
Hazardous waste	t	6.58	14.74
Non-hazardous waste	t	1,722	1,172
<b>Total</b>	t	<b>1,729</b>	<b>1,187</b>

Total weight of waste directed to disposal by recovery method									
Method of disposal	UoM	2021 <sup>16</sup>				2022			
		Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous waste	t	-	6.6	6.6	0%	-	14.7	14.7	1%
Incineration (with energy recovery)	t	-	2.0	2.0	0%	-	6.8	6.8	1%
Incineration (without energy recovery)	t	-	-	-	-	-	-	-	-
Landfill	t	-	4.6	4.6	0%	-	8.0	8.0	0%
Non-hazardous waste	t	-	1,722.3	1,722.3	100%	-	1,172.2	1,172.2	99%
Incineration (with energy recovery)	t	-	191.2	191.2	11%	-	-	-	-
Incineration (without energy recovery)	t	-	-	-	-	-	-	-	-
Landfill	t	-	1,531.1	1,531.1	89%	-	1,172.2	1,172.2	99%
<b>Total</b>	t	-	<b>1,729</b>	<b>1,729</b>	<b>100%</b>	-	<b>1,187</b>	<b>1,187</b>	<b>100%</b>

## GRI 401-1: Number and rate of new employee hires and turnover by gender, area and age group

Incoming turnover										
Number of people	2021					2022				
	<30 years old	30-50 years old	>50 years old	Total	Turnover rate	<30 years old	30-50 years old	>50 years old	Total	Turnover rate
<b>Italy</b>						<b>Italy</b>				
Men	28	20	15	63	14%	17	21	10	48	11%
Women	1	5	-	6	14%	4	5	-	9	19%
Total	29	25	15	69	14%	21	26	10	57	11%
Of which ex agency workers						1			1	
<b>Croatia</b>						<b>Croatia</b>				

<sup>16</sup> The 2021 data for waste sent for disposal were changed due to a refinement of the calculation methodology.

Men	14	3	-	17	10%	9	7	-	16	9%
Women	12	10	1	23	27%	8	8	3	19	20%
Total	26	13	1	40	16%	17	15	3	35	13%
Of which ex agency workers										
<b>Mexico</b>						<b>Mexico</b>				
Men	72	39	-	111	123%	54	22	4	80	98%
Women	1	1	-	2	18%	8	5	-	13	130%
Total	73	40	-	113	112%	62	27	4	93	101%
Of which ex agency workers		1		1						
<b>USA</b>						<b>USA</b>				
Men	-	-	-	-	-	92	51	12	155	52%
Women	-	-	-	-	-	18	31	5	54	74%
Total	-	-	-	-	-	110	82	17	209	56%
Of which ex agency workers						94	44	3	141	
<b>Total</b>						<b>Total</b>				
Men	114	62	15	191	27%	172	101	26	299	30%
Women	14	16	1	31	22%	38	49	8	95	42%
Total	128	78	16	222	26%	210	150	34	394	32%
Of which ex agency workers		1		1		95	44	3	142	

Outgoing turnover										
Number of people	2021					2022				
	<30 years old	30-50 years old	>50 years old	Total	Turnover rate	<30 years old	30-50 years old	>50 years old	Total	Turnover rate
<b>Italy</b>						<b>Italy</b>				
Men	8	16	8	32	7%	9	20	19	48	11%
Women	-	-	2	2	5%	2	1	1	4	8%
Total	8	16	10	34	7%	11	21	20	52	10%
Of which ex agency workers										
<b>Croatia</b>						<b>Croatia</b>				
Men	3	5	4	12	7%	8	3	2	13	8%
Women	1	-	2	3	3%	4	4	2	10	11%
Total	4	5	6	15	6%	12	7	4	23	9%
Of which ex agency workers										
<b>Mexico</b>						<b>Mexico</b>				
Men	62	58	7	127	141%	50	38	7	95	116%
Women	1	2	-	3	27%	3	4	-	7	70%
Total	63	60	7	130	129%	53	42	7	102	111%
Of which ex agency workers										
<b>USA</b>						<b>USA</b>				
Men	-	-	-	-	-	80	35	4	119	40%
Women	-	-	-	-	-	13	10	-	23	32%
Total	-	-	-	-	-	93	45	4	142	38%
Of which ex agency workers										
<b>Total</b>						<b>Total</b>				
Men	73	79	19	171	24%	147	96	32	275	27%
Women	2	2	4	8	6%	22	19	3	44	19%
Total	75	81	23	179	21%	169	115	35	319	26%
Of which ex agency workers										

GRI 403-9: Work-related injuries<sup>17</sup>

Work-related injuries				
2021			2022	
Employees	Number of injuries	Injury rate	Number of injuries	Injury rate
Total number of fatalities due to work-related injuries	0	0	0	0
Total number of high-consequence work-related injuries (excluding deaths)	0	0	0	0
<b>Total number of recordable work-related injuries</b>	<b>24</b>	<b>16.9</b>	<b>18</b>	<b>12.1</b>

Work-related injuries				
2021			2022	
Contract workers	Number of injuries	Injury rate	Number of injuries	Injury rate
Total number of fatalities due to work-related injuries	0	0	0	0
Total number of high-consequence work-related injuries (excluding deaths)	0	0	0	0
<b>Total number of recordable work-related injuries</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>23.5</b>

## GRI 404-1: Average hours of training per year per employee by gender and position

Hours of training by employee category and gender						
Employee category	as at 31 December 2021 <sup>18</sup>			as at 31 December 2022		
	No. of hours per person men	No. of hours per person women	Total No. of hours per person	No. of hours per person men	No. of hours per person women	Total No. of hours per person
Senior managers	9.8	-	9.8	7.8	-	7.3
Middle managers	20.5	17.2	19.8	4.9	3.1	4.6
Office staff	11.6	10.3	11.3	9.9	4.4	8.2
Factory staff	27.3	81.9	35	40.7	71.6	45.4
<b>Total</b>	<b>23.3</b>	<b>54.9</b>	<b>28.5</b>	<b>33.4</b>	<b>45.3</b>	<b>35.6</b>

Training hours by type		
Type of training	as at 31 December 2021	as at 31 December 2022
	Total No. of hours per person	Total No. of hours per person
Occupational health & safety	7.7	8.1

<sup>17</sup> The reporting perimeter for H&S data does not include data for the Dlubak Specialty Glazing Corporation (USA) and Global Security Glazing (USA) facilities

<sup>18</sup> The 2021 data for hours per person have been changed due to a refinement of the calculation methodology

Language training	0.4	-
Management training	0.3	0.1
Technical training	20.3	18.9
Other	0.1	8.5
<b>Total</b>	<b>28.7</b>	<b>35.6</b>

## GRI 405-1: Diversity of governance bodies and employees

Composition the Isoclima S.p.A. Board of Directors by gender and age group								
Percentage	as at 31 December 2021				as at 31 December 2022			
	<30 years old	30-50 years old	> 50 years old	Total	<30 years old	30-50 years old	> 50 years old	Total
Men	-	40%	60%	100%	20%	20%	60%	100%
Women	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>	<b>20%</b>	<b>20%</b>	<b>60%</b>	<b>100%</b>

Total number of employees by category and by gender						
Number of people	as at 31 December 2021			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
Senior managers	10	0	10	14	1	15
Middle managers	24	6	30	41	10	51
Office staff	158	47	205	175	77	252
Factory staff	517	86	603	771	138	909
<b>Total</b>	<b>709</b>	<b>139</b>	<b>848</b>	<b>1,001</b>	<b>226</b>	<b>1,227</b>

Total number of employees by position and age group								
Number of people	as at 31 December 2021				as at 31 December 2022			
	<30 years old	30-50 years old	> 50 years old	Total	<30 years old	30-50 years old	> 50 years old	Total
Senior managers	-	2	8	10	0	7	8	15
Middle managers	1	16	13	30	3	27	21	51
Office staff	19	117	69	205	35	144	72	251
Factory staff	130	283	190	603	205	434	271	910
<b>Total</b>	<b>150</b>	<b>418</b>	<b>280</b>	<b>848</b>	<b>243</b>	<b>612</b>	<b>372</b>	<b>1,227</b>

Employees by category and gender (percentage)						
Number of people	as at 31 December 2021			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
Senior managers	100%	0%	1.2%	93.3%	6.7%	1.2%
Middle managers	80%	20%	3.5%	80.4%	19.6%	4.2%
Office staff	77.1%	22.9%	24.2%	69.4%	30.6%	20.5%
Factory staff	85.7%	14.3%	71.1%	84.8%	15.2%	74.1%
<b>Total</b>	<b>83.6%</b>	<b>16.4%</b>	<b>100%</b>	<b>81.6%</b>	<b>18.4%</b>	<b>100.0%</b>

Employees by position and age group (percentage)
--

Number of people	as at 31 December 2021				as at 31 December 2022			
	<30 years old	30-50 years old	> 50 years old	Total	<30 years old	30-50 years old	> 50 years old	Total
Senior managers	0%	20%	80%	1.2%	0%	46.7%	53.3%	1.2%
Middle managers	3.3%	53.3%	43.3%	3.5%	5.9%	52.9%	41.2%	4.2%
Office staff	9.3%	57.1%	33.7%	24.2%	13.9%	57.4%	28.7%	20.5%
Factory staff	21.6%	46.9%	31.5%	71.1%	22.5%	47.7%	29.8%	74.2%
<b>Total</b>	<b>17.7%</b>	<b>49.3%</b>	<b>33%</b>	<b>100%</b>	<b>19.8%</b>	<b>49.9%</b>	<b>30.3%</b>	<b>100.0%</b>

## GRI 413-1: Operations with local community engagement, impact assessments, and development programmes

Operations with local community engagement, impact assessments, and development programmes		
Number of activities	2021	2022
Total number of operating sites	3	6
Total number of operational sites that include local community involvement, impact assessments and/or development programmes	2	2
Percentage	66.7%	33.3%

Donations to local community associations - Sponsorships, charities, donations						
Main areas of intervention at a social level	2021			2022		
	Total expenditure (in euros)	% of the total	No. requests received	Total expenditure (in euros)	% of the total	No. requests received
Health and safety	67,028.2 <sup>19</sup>	63.3	52 <sup>20</sup>	10,100	48.6	62
Community and assistance	13,650	12.9	5	3,889	18.7	3
Culture, history and traditions	6,824	6.4	2	-	-	-
Sport	1,500	1.4	1	3,322.6	16	19
Emergencies	5,000	4.7	1	-	-	-
Other	11,945.7	11.3	2	3,486.3	16.8	1
<b>TOTAL</b>	<b>105,947.9</b>	<b>100</b>	<b>63</b>	<b>20,797.9</b>	<b>100</b>	<b>85</b>

<sup>19</sup> In 2021, the group contributed to countering the spread of the COVID-19 pandemic by significantly increasing spending on health and safety.

<sup>20</sup> 2021 data on requests received for the 'Health and Safety' area of intervention has been amended following an update in the calculation method used

## 8.2 Correlation table

Material topics	GRI Standard	Impact boundary	Type of impact
Energy consumption	<b>GRI 302: Energy (2016)</b>	Isoclima Group and electricity suppliers	Caused by the Group and directly connected through a business relationship
Atmospheric emissions	<b>GRI 305: Emissions (2016)</b>	Isoclima Group and electricity suppliers	Caused by the Group and directly connected through a business relationship
Water resource management	<b>GRI 303: Water and effluents (2018)</b>	The Isoclima Group	Caused by the Group
Waste management	<b>GRI 306: Waste (2020)</b>	The Isoclima Group	Caused by the Group
Occupational health and safety	<b>GRI 403: Occupational health and safety (2018)</b>	The Isoclima Group	Caused by the Group and directly connected through a business relationship
Well-being of workers	<b>GRI 401: Employment (2016)</b>	The Isoclima Group	Caused by the Group
Human capital management and development	<b>GRI 2: General Disclosures (2021)</b>	The Isoclima Group	Caused by the Group
	<b>GRI 404: Training and education (2016)</b>	The Isoclima Group	Caused by the Group
	<b>GRI 405: Diversity and equal opportunities (2016)</b>	Isoclima Group employees	Caused by the Group
Anti-corruption	<b>GRI 205: Anti-corruption (2016)</b>	The Isoclima Group	Caused by the Group
Governance, compliance and business ethics	<b>GRI 206: Anti-competitive behaviour (2016)</b>	The Isoclima Group	Caused by the Group
Economic performance and value creation	<b>GRI 201: Economic performance (2016)</b>	The Isoclima Group	Caused by the Group
Respect for human rights	<b>GRI 406: Non-discrimination (2016)</b>	The Isoclima Group	Caused by the Group and directly related to the Group's activities
Sustainable management of the supply chain and raw materials	<b>GRI 301: Materials (2016)</b>	The Isoclima Group	Caused by the Group and directly related to the Group's activities
Cybersecurity	<b>GRI 418: Customer Privacy (2016)</b>	The Isoclima Group	Caused by the Group
Involvement of local communities	<b>GRI 413: Local communities (2016)</b>	The Isoclima Group	Caused by the Group and to which the Group contributes
Product quality and responsibility	Material topic not related to a specific GRI Standards indicator	The Isoclima Group	Caused by the Group
Research, development and innovation	Material topic not related to a specific GRI Standards indicator	The Isoclima Group	Caused by the Group and directly related to the Group's activities

## GRI Content index

This report has been prepared in accordance with the GRI Standards: “In Accordance” option.

GRI Indicator		Page	Reasons for omission	Notes
Statement of use	The Isoclima Group submitted a report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022			
GRI 1 used	GRI 1 - Foundation - Version 2022			
Relevant GRI Sector Standard	Not applicable			
<b>GRI 2: GENERAL DISCLOSURES (2021)</b>				
<b>The organisation and its reporting practices</b>				
GRI 2-1	Organisational details	12		
GRI 2-2	Entities included in the organisation’s sustainability reporting	7		
GRI 2-3	Reporting period, frequency, and contact point	7		
GRI 2-4	Restatements of information	7		
GRI 2-5	External assurance	70-72		
<b>Activities and workers</b>				
GRI 2-6	Activities, value chain, and other business relationships	12-13		
GRI 2-7	Employees	37, 54		
GRI 2-8	Workers who are not employees	37, 55		
<b>Governance</b>				
GRI 2-9	Governance structure and composition	23-25		
GRI 2-10	Appointment and selection of the highest governing body	24-25		
GRI 2-11	Chair of the highest governing body	24		
GRI 2-12	Role of the highest governing body in overseeing the management of impacts	24-25		
GRI 2-13	Delegation of responsibility for managing impacts	25		
GRI 2-14	Role of the highest governing body in sustainability reporting	24-25		
GRI 2-15	Conflicts of interest	22		
GRI 2-16	Communication of critical concerns	22		
GRI 2-17	Collective knowledge of the highest governing body	25		



GRI indicator		Page	Reasons for omission	Notes
GRI 2-18	Evaluation of the performance of the highest governing body		Not applicable	This indicator is not applicable to the reality of Isoclima S.p.A.
GRI 2-19	Remuneration policies	37		
GRI 2-20	Process to determine remuneration	37		
GRI 2-21	Annual total compensation ratio		Information not available/ incomplete	<p>It is noted that:</p> <ul style="list-style-type: none"> <li>- the reason for omission is to be considered only for requirement 2-21 a);</li> <li>- the reporting boundary of the indicator only includes Isoclima S.p.A;</li> <li>- full-time equivalent rates of pay (FTE) were used for each part-time employee;</li> <li>- only the monthly salary was considered in the calculation of the indicator;</li> <li>- the person receiving the highest remuneration is the CEO.</li> </ul>
<b>Strategies, policies and practices</b>				
GRI 2-22	Statement on sustainable development strategy	5-6		
GRI 2-23	Policy commitments	22-23		
GRI 2-24	Embedding policy commitments	22		
GRI 2-25	Processes for remediate negative impacts	22-23		
GRI 2-26	Mechanisms to request seeking advice and raising concerns	22-23		
GRI 2-27	Compliance with laws and regulations			During 2022, there were no cases of non-compliance with laws and regulations.
GRI 2-28	Membership associations	17		
<b>Stakeholder engagement</b>				
GRI 2-29	Approach to Stakeholder engagement	15-17		
GRI 2-30	Collective bargaining agreements	37		
<b>GRI 3: Material topics (2021)</b>				
GRI 3-1	Process for the determine material topics	17-19		
GRI 3-2	List of material topics	18-19		
<b>Economic performance and value creation</b>				
<b>GRI 3: Material topics (2021)</b>				

GRI indicator		Page	Reasons for omission	Notes
GRI 3-3	Management of material topics	32-33		
<b>GRI 201: Economic performance</b>				
GRI 201-1	Direct economic value generated and distributed	33		
<b>Anti-corruption</b>				
<b>GRI 3: Material topics (2021)</b>				
GRI 3-3	Management of material topics	23		
<b>GRI 205: Anti-corruption (2016)</b>				
GRI 205-3	Confirmed incidents of corruption and actions taken			There were no cases of corruption during 2022.
<b>Governance, compliance and business ethics</b>				
<b>GRI 3: Material topics (2021)</b>				
GRI 3-3	Management of material topics	23		
<b>GRI 206: Anti-competitive behaviour (2016)</b>				
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices			No cases of anti-competitive, anti-trust and monopolistic behaviour were established during 2022.
<b>Sustainable management of the supply chain and raw materials</b>				
<b>GRI 3: Material topics (2021)</b>				
GRI 3-3	Management of material topics	30-31		
<b>GRI 301: Materials (2016)</b>				
GRI 301-1	Materials used by weight or volume	55		
<b>Energy consumption</b>				
<b>GRI 3: Material topics (2021)</b>				
GRI 3-3	Management of material topics	47-50		
<b>GRI 302: Energy (2016)</b>				
GRI 302-1	Energy consumed within the organisation	55-56		
<b>Water resource management</b>				
<b>GRI 3: Material topics (2021)</b>				
GRI 3-3	Management of material topics	50-52		
<b>GRI 303: Water and effluents (2018)</b>				
GRI 303-1	Interactions with water as a shared resource	50-52		
GRI 303-3	Water withdrawal	56		

GRI indicator		Page	Reasons for omission	Notes
Atmospheric emissions				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	47-50		
GRI 305: Emissions (2016)				
GRI 305-1	Direct (Scope 1) GHG emissions	56-57		
GRI 305-2	Energy indirect (Scope 2) GHG emissions	57		
Waste management				
GRI-3: Material topics (2021)				
GRI 3-3	Management of material topics	53		
GRI 306: Waste (2020)				
GRI 306-1	Waste generation and significant waste-related impacts	53		
GRI 306-2	Management of significant waste-related impacts	53		
GRI 306-3	Waste generated	57		
GRI 306-4	Waste diverted from disposal	57-58		
GRI 306-5	Waste directed to disposal	58		
Well-being of workers				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	37		
GRI 401: Employment				
GRI 401-1	New employee hires and employee turnover	58-59		
Occupational health and safety				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	38-41		
GRI 403: Occupational health and safety (2018)				
GRI 403-1	Occupational health and safety management system	39		
GRI 403-2	Hazard identification, risk assessment, and incident investigation	39		
GRI 403-3	Occupational health services	40		
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	41		
GRI 403-5	Worker training on occupational health and safety	40		

GRI indicator		Page	Reasons for omission	Notes
GRI 403-6	Promotion of worker health	38-41		
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38-41		
GRI 403-9	Work-related injuries	60		
Human capital management and development				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	38, 41-43		
GRI 404: Training and education (2016)				
GRI 404-1	Average hours of training per year per employee	61-62		
GRI 405: Diversity and equal opportunities (2016)				
GRI 405-1	Diversity in governance bodies and employees	60-61		
Respect for human rights				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	60-61		
GRI 406: Non-discrimination (2016)				
GRI 406-1	Incidents of discrimination and corrective actions taken			No cases of discrimination were established during 2022.
Cybersecurity				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	28		
GRI 418: Customer privacy				
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			In 2022, there were no substantiated complaints regarding breaches of customer privacy.
Involvement of local communities				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	33-35		
GRI 413: Local communities				
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	62		

GRI indicator		Page	Reasons for omission	Notes
Product quality and responsibility				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	29		
Research, development and innovation				
GRI 3: Material topics (2021)				
GRI 3-3	Management of material topics	31-32		



## INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of  
Isoclima S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of the Isoclima Group (hereinafter also "the Group") as of December 31, 2022.

### Responsibility of the Directors for the Sustainability Report

The Directors of Isoclima S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our auditing firm applies "International Standard on Quality Control 1" (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
2. comparison between the economic and financial data and information included in the paragraph "Sharing Financial Results" of the Sustainability Report with those included in the Group's Financial Statements;
3. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Isoclima S.p.A. and with the employees of Lipik Glas d.o.o., and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.



In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the Group's level:
  - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the companies Isoclima S.p.A. and Lipik Glas d.o.o., which we selected based on the activity carried out, the contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

## Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Isoclima Group as of December 31, 2022, is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

## Other matters

The data for the year ended December 31, 2021, presented for comparative purposes in the Sustainability Report have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Nacchi Cristiano**  
Partner

Padova, Italy  
July 28, 2023

*This report has been translated into the English language solely for the convenience of international readers.*

