

SUSTAINABILITY POLICY



1. GOALS PURSUED AND SCOPE OF APPLICATION	2
2. COMMUNICATION AND DISCLOSURE AND RELATED DOCUMENTATION	6
3. STRATEGIC AND SUSTAINABILITY GUIDELINES	7
3.1. ENVIRONMENT RESPONSIBILITY	7
3.2. SOCIAL RESPONSIBILITY	8
3.3. GOVERNANCE RESPONSIBILITY	9
4. APPROVAL	9

1. GOALS PURSUED AND SCOPE OF APPLICATION

Giordano Controls is aware that **Sustainability** is a competitiveness factor, which has become central to the pursuit of economic development, capable of taking into account and balancing general, social and environmental wellbeing. A concept that has now become central in every area, whether we are talking about companies, whether we are talking about finance or consumers.

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

- **environmental sustainability** – aimed at responsibility in the use of natural resources, ensuring their availability and quality;
- **social sustainability** - aimed at obtaining safety, health and justice, to ensure high levels of quality of life for citizens;
- **economic sustainability** – aimed at the ability to generate income and work, therefore, to ensure economic efficiency and income for businesses.

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

In a 2011 document of the European Commission it is stated that sustainability is an important competitiveness factor: "a strategic approach towards the issue of corporate social responsibility is increasingly important for competitiveness. It can bring benefits in terms of risk management, cost reduction, access to capital, customer relations, human resource management and innovation capacity".

Giordano Controls since its foundation has oriented its action to satisfy the multiple interests of the various stakeholders, inspiring its work to the values of mutuality, ethics, reciprocity, associating the traditional purpose of pursuing profits with the identity of the realization of a common benefit.

In this perspective, founded on scenarios that lead to a common factor of environment, industry and finance, Giordano Controls proceeds, with a holistic approach and with the desire to be an actor of change, in the path already undertaken of identifying, implementing and monitoring sustainability objectives, implementing the most appropriate ways to make them in their own and system context.

This document defines the principles, guidelines and relevant sustainability issues that are identified, implemented and monitored in order to respond to all stakeholders, internal and external, with a view to continuous transformation aimed at ensuring the creation of shared value.

In particular, the aim is to identify a clear strategic direction towards sustainable development that can guide not only the company's work, but also the actors with whom it interfaces along its value chain.

Specifically, with reference to the United Nations 2030 Agenda, Giordano Controls is inspired in its actions by the Sustainable Development Goals (**SDGs**), specifically to those deemed most relevant in the light of their corporate activities as set out below:

- | | |
|---|---|
|  | <p>Goal 7: to ensure the availability of affordable, reliable, sustainable and modern energy services for all;</p> |
|  | <p>Goal 8: to promote lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all;</p> |
|  | <p>Goal 9: to build resilient infrastructures, to promote inclusive and sustainable industrialization and to foster innovation;</p> |
|  | <p>Goal 11: to create sustainable cities and human communities that are inclusive, safe and robust;</p> |
|  | <p>Goal 12: to ensure sustainable production and consumption patterns;</p> |
|  | <p>Goal 13: to take urgent action to combat climate change and its consequences;</p> |
|  | <p>Goal 16: to promote peaceful and inclusive societies for sustainable development, to ensure access to justice and to create effective, accountable institutions at all levels;</p> |
|  | <p>Goal 17: to strengthen the means of implementation and to renew the global partnership for sustainable development</p> |

Participation in the United Nation Global Compact

On November 15th, 2022, Giordano Controls expressed their support for the Global Compact advocated by the United Nations and were registered as participating company, supporting the **Ten Principles of the United Nations Global Compact** on human rights, labour, environment and anti-corruption.

With this participation, Giordano Controls expressed the commitment to making the United Nation Global Compact and its principles part of the strategy, culture and day-to-day

operations of the company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the **Sustainable Development Goals**.

Participation in the United Nation Global Compact prompts Giordano Controls to strengthen its ongoing Corporate Social Responsibility activities in order to contribute to the development of a sustainable society.

This Sustainability Policy is considered a fundamental tool for the medium and long-term strategies of Giordano Controls SpA and has been drawn up with the following purposes:

- Disseminate, promote and develop a culture of sustainability and Environmental, Social and Governance principles within Giordano Controls
- Consolidate and pursue, through the adoption of this Policy and the ESG principles, sustainable growth for Giordano Controls and for its stakeholders (shareholders, investors, financiers, customers, employees and collaborators, associations and institutions, suppliers and commercial partners, trade unions , schools, universities and research centers, media)
- Support and guide Giordano Controls' strategic choices taking into account the **Ten Principles of the United Nations Global Compact** and the **Sustainable Development Goals**.



SUSTAINABLE DEVELOPMENT GOALS



THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.

LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The Sustainability Policy aims to define a corporate culture oriented towards environmental and social protection, honesty, impartiality, diversity and promoting integrity and transparency, as well as encouraging sustainable development and responsibility towards stakeholders.

The Sustainability Policy applies to corporate bodies, employees and collaborators who operate in the name and on behalf of Giordano Controls.

2. COMMUNICATION AND DISCLOSURE AND RELATED DOCUMENTATION

Giordano Controls undertakes to disseminate the Sustainability Policy and its updates through specific communication activities, including publication on the website www.giordanocontrols.com. The Policy itself promotes ESG-sensitive training of its employees, establishing specific information channels and internal training and updating projects. Upon establishing any professional relationship with external subjects and consultants, Giordano Controls ensures that they receive adequate information and knowledge of this document.

With a view to continuous improvement, this policy is reviewed on occasion, in order to align it with any new developments in sector best practices and to identify and evaluate any areas for improvement.

The Policy is applied across the board to all areas of operation in compliance in particular with further documentation, including:

- Code of Ethics
- MOG 231: Organization, management and control model pursuant to Legislative Decree n. 231/01 GENERAL SECTION and SPECIAL SECTION
- Internal guidelines on improving energy efficiency and limiting other environmental impacts
- Company risk management system policies and procedures
- Documents supporting the health and safety management system in compliance with legal requirements.

3. STRATEGIC AND SUSTAINABILITY GUIDELINES



In consideration of the national and international context relating to sustainability, the periodic dialogue with relevant stakeholders, the strategy defined at company level and the commitments and responsibilities defined in the Code of Ethics of Giordano Controls, the ESG principles have been identified the following most relevant and necessary topics to ensure understanding of company activities, their performance and their environmental, social and economic impacts.

3.1. ENVIRONMENT RESPONSIBILITY



As a strategic supplier of leading companies in the fields of heating, combustion, environmental thermoregulation and alternative energy resources, central areas for the fight against climate change that includes both global warming caused by greenhouse gas emissions, and the consequent large-scale changes in meteorological models, Giordano Controls is an active subject in energy efficiency, lowering carbon dioxide levels (decarbonisation) and investment in identifying innovative solutions for the integration of renewable energy sources.

- **Innovation, research and development:** investments in research and innovation in order to develop sustainable, efficient, safe and competitive products and processes with particular

reference to the technologies necessary to reduce the environmental impact and increase their digitization

- **Product quality and safety:** continuous improvement of the quality and safety of products and services in compliance with the technical regulations, in every phase of the production process to meet the high standards required by the business
- **Environmental impact of products and services:** development of eco-sustainable products and services in order to contribute to a circular and low carbon economy; development of products capable of using alternative fuels to natural gas (hydrogen and biomethane)
- **Climate change:** reduction of emissions of carbon dioxide (CO₂) and other pollutants in order to contribute to the fight against climate change; construction of systems that use renewable energy and reduce the environmental impact
- **Circular economy and waste:** adopt production and consumption models that involve reuse, repair, reconditioning and recycling of existing materials and products in order to extend the life cycle of products, reducing waste; use methods of waste disposal that respond to the strategy of minimizing the environmental impact

3.2. SOCIAL RESPONSIBILITY



- **Human resources development and protection:** people are the most important asset of Giordano Controls which is constantly committed to their protection, development and enhancement; the growth of the Person takes place through constant collaboration and cooperation in an inclusive and international context that favors the exchange of ideas, the comparison of opinions and experiences and the development of multidisciplinary skills. The investment in training and development of resources is of strategic importance to ensure a constant growth of knowledge and skills, at all levels. Industrial relations are based on a participatory model that values the role of trade union organizations and workers
- **Health and safety in the workplace:** safety in the workplace is an essential condition for any work activity. Giordano Controls invests energy and resources in the protection of health and safety in the workplace, adopting advanced management practices and systems to safeguard its employees and third parties involved in company activities. Central elements are staff training, growth of individual awareness and widespread involvement
- **Diversity and equal opportunities:** promotion of programs aimed at offering equal opportunities to all employees to promote diversity and inclusiveness within the company
- **Local communities and relationship with the territory:** involve local communities around Giordano Controls' production units to generate sustainable economic, social and environmental value

- **Culture of sustainability:** contribute to the transformation of the current development model by disseminating, at all levels (company, suppliers, local communities, institutions), knowledge, skills, lifestyles, sustainable production and consumption systems in line with ESG principles

3.3. GOVERNANCE RESPONSIBILITY



- **Corporate governance and integrity:** Business integrity is the ability to develop your business with loyalty and transparency and is a key factor that characterizes the company's identity and is a constituent element of its reputation and image. Responsible governance ensures conditions of fairness and transparency in the conduct of business and related corporate activities and is an essential element in the development of economically sustainable business activities capable of generating value for all stakeholders. Giordano Controls also adopts preventive measures and policies aimed at combating active and passive corruption and favors the spread of a culture of legality
- **Risk management:** identify and weigh business risk factors across all disciplines and in the ESG field; Giordano Controls is committed to constantly implementing actions to mitigate risks related to the security of stakeholders' information and to reinforce cybersecurity
- **Compliance to laws and regulations:** ensure compliance of the company and products with specific laws or regulations on environmental, social and governance matters
- **Sustainable economic growth:** ensure economic and financial results in line with market and stakeholder expectations, with an order book supported by a positive growth trend, favoring expansion into new geographic areas, diversifying customers and developing after-sales services
- **Customer satisfaction:** is at the center of Giordano Controls' interest and is pursued through constant involvement in the implementation phase, in continuous quality controls, in the offer of innovative products; the goal is to create relationships of trust by activating channels to listen to the needs and expectations of the customer
- **Inclusive collaborations:** intensify the partnership for Sustainable Development, supported by plurilateral collaborations that develop and share knowledge, skills, technological and financial resources, promoting effective partnerships between public and private and in civil society

4. APPROVAL

The Governance of Sustainability, as well as the adoption and supervision of this Policy, are the responsibility of the Board of Directors, assisted in the management of the activities and in the monitoring of the achievement of the objectives by the Innovation Strategy function. This Sustainability Policy was approved by the Giordano Controls Board of Directors

on 22/12/2022

