



# 2019 SUSTAINABILITY REPORT

Irritec S.p.A.

COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.





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# CONTENTS

## 9 METHODOLOGICAL NOTE

## 10 2019 HIGHLIGHTS

### CHAPTER 1

## 15 IRRITEC'S IDENTITY, VALUES AND COMMITMENT TO THE ENVIRONMENT

- 15 Identity and mission
- 19 Irritec's governance and Organisational Model
- 20 Innovation for sustainable development since 1974: a word from our founder Carmelo Giuffrè
- 21 Irritec's commitment to the world told by our Sustainability Ambassador Giulia Giuffrè
- 24 Values and aims of common benefit
- 26 Relevant topics

## 29 THE GLOBAL COMPACT OF THE UNITED NATIONS: COMMITMENT TO SUSTAINABLE DEVELOPMENT

- 30 Priority SDGs
- 34 The other SDGs pursued by Irritec

### CHAPTER 2

## 37 ENVIRONMENT

- 37 Contribution to the environment
- 38 Positive impacts generated by Irritec's sustainable irrigation: water and energy savings in the world
- 40 Water consumption in the industrial model
- 41 Energy consumption in the industrial model
- 44 Circular economy
  - 45 The contribution of the Green Fields project to promoting recycling
  - 46 Efficient material management

### CHAPTER 3

## 49 COMMUNITY AND TERRITORY

- 49 Projects and programmes to improve people's living conditions and the environment
  - 49 Social and economic progress in agriculture and projects in developing countries
  - 50 Training to improve life through sustainable technology
- 52 Initiatives implemented
  - 52 Enhancement and protection of vegetation
  - 52 Art and culture: promotion of Italian cinema



53	Sport
53	Work and society: contribution to gender equality
53	Health: contribution to the "Wonderlad" project
54	Awareness-raising and dissemination of water saving culture
56	2019 Initiatives

#### CHAPTER 4

### 59 HUMAN RESOURCES

59	Human resources management and welfare
61	Information on Irritec staff
62	Code of Ethics
62	Training, awareness-raising and education
63	Workplace health and safety
64	Gender equality

#### CHAPTER 5

### 67 SUSTAINABLE SUPPLY CHAIN

67	Purchasing context and management: the relationship with suppliers
67	Procurement practices
71	Quality in the production process and corporate culture
71	Research and Development
72	Quality certifications
73	Customer context and management: customer centricity

#### CHAPTER 6

### 77 ECONOMIC VALUE GENERATED

77	Generation and distribution of value
78	Recipients of the value distributed

#### CHAPTER 7

### 81 SUSTAINABILITY PLAN

81	Future commitments
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#### CHAPTER 8

### 83 GRI INDEX

### 91 CONTACTS & CREDITS

“At Irritec we care about protecting biodiversity, and we contribute to and promote sustainable water management through our commitment.

Our mission focuses on the environment, the territory and the local communities of the areas where we operate.

Our relationships with all stakeholders are guided by the values of accountability and transparency, in order to create well-being for people and develop a sustainable supply chain in agriculture and gardening.”

**Giulia Giuffrè, Irritec S.p.A. Board Member  
and Sustainability Ambassador**











# METHODOLOGICAL NOTE

(GRI 102-50, 102-51, 102-52, 102-53, 102-54, 102-18, 102-46)

This first sustainability report represents an intermediate step in the implementation of a new non-financial reporting process of the group. Irritec's path has been gradual. The first sustainable reporting activity was the Communication on Progress required by the United Nations Global Compact (UNGC)<sup>1</sup>. Starting from this first base, a project was launched in the first months of 2020 with the aim of building an internal non-financial reporting process with the 2019 sustainability report as the first result. The path undertaken continues in the second part of the year with the involvement of foreign companies and the preparation of the 2020 sustainability report at a consolidated level.

This document refers to the period between 1 January 2019 and 31 December 2019. The report describes the performance relating to the social and environmental spheres, staff rights and the relationship with our various stakeholders, including customers and suppliers.


The document is drawn up in accordance with the "GRI Sustainability Reporting Standards" defined by the Global Reporting Initiatives (GRI), according to the Referenced option.

The report is published on the Irritec website after the approval of the 2019 financial statements. In addition, it is published on the UNGC website<sup>1</sup> as a Communication On Progress.

Irritec undertakes to prepare the sustainability report annually.

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<sup>1</sup> "The United Nations Global Compact is an initiative that can be joined on a voluntary basis and embodies a set of principles that promote long-term sustainability values through policy actions, company practices, responsible social and civil behaviour and that takes account of future generations" (see the Global Compact website - <https://www.globalcompactnetwork.org/en/the-un-global-compact-eng/global-compact/overview.html>)





# 2019 HIGHLIGHTS



## CONTRIBUTION TO THE ENVIRONMENT AND CIRCULAR

<b>356,984</b>	Hectares of sustainable irrigation implemented worldwide thanks to the projects, products and technologies of the Irritec group
<b>441,170,436</b>	Cubic metres of water saved in the world thanks to the projects, products and technologies of the Irritec group
<b>32,284,421</b>	KW saved worldwide thanks to the projects, products and technologies of the Irritec group
<b>30,269</b>	Tons of raw material used by Irritec S.p.A.
<b>24%</b>	Recycled raw material used in production
<b>43,842</b>	Tons of CO <sub>2</sub> emissions avoided
<b>97%</b>	of waste recovered
<b>92.6%</b>	Water used from wells
<b>-9.4%</b>	Reduction of energy consumption by production machinery 2018-2019
<b>-10%</b>	Reduction of electricity purchased per amount of product 2018-2019
<b>+85%</b>	of plastic material collected from farmers thanks to the Green Fields project in Italy
<b>+23%</b>	of plastic material collected from by farmers thanks to the Green Fields project in Mexico



## VALUE GENERATED AND DISTRIBUTED

<b>€177,656,878</b>	Consolidated revenues in 2019
<b>€106,556,000</b>	Value generated in 2019 by Irritec S.p.A.
<b>74%</b>	Value generated in 2019 by the Irritec group in foreign markets
<b>60%</b>	Value distributed in 2019 to suppliers of the Irritec group supply chain
<b>36%</b>	Value distributed to employees and other suppliers of the Irritec group
<b>+120</b>	Number of countries in the world served by the Irritec group



## EMPLOYEES

<b>844</b>	Number of employees of the Irritec group (52% Irritec S.p.A.)
<b>34.36</b>	Accident rate (below national average)
<b>4,596</b>	Number of employee training hours in 2019 in Irritec S.p.A.
<b>35%</b>	Women among the employees of Irritec S.p.A.



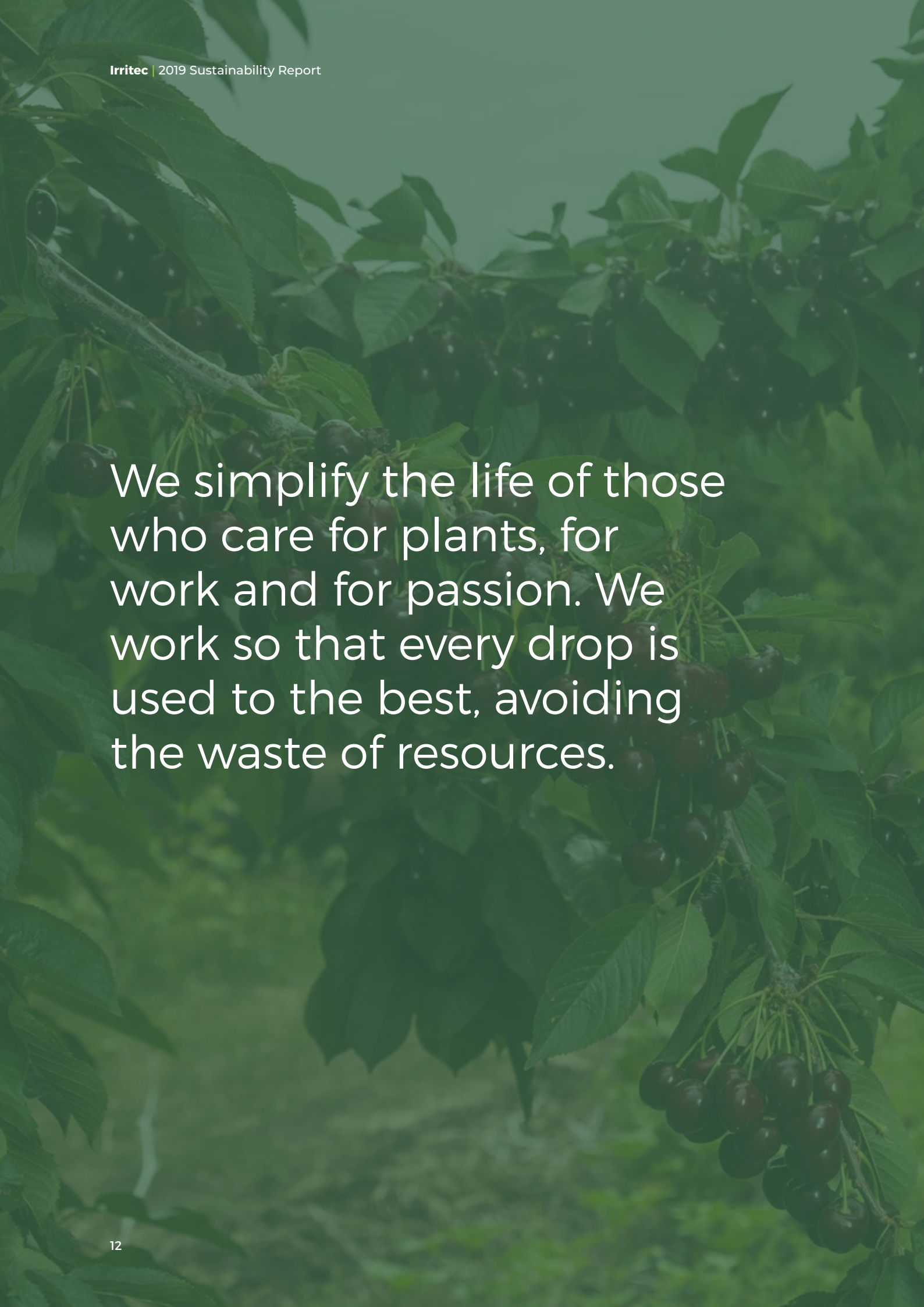
## SUSTAINABLE SUPPLY CHAIN

<b>€97,412,000</b>	Purchases of the supply chain in 2019 by the Irritec group
<b>32%</b>	Italian suppliers of the Irritec group supply chain (out of 1621)
<b>2,146</b>	Number of retailers in 2019
<b>82%</b>	Loyal Irritec S.p.A. customers .
<b>60%</b>	Customers who have increased their purchases from Irritec S.p.A.
<b>81%</b>	Customers who purchase more than one category of essential products for an irrigation system from Irritec S.p.A.
<b>95%</b>	Number of Italian farms reachable by Irritec S.p.A.



## INITIATIVES IMPLEMENTED IN 2019

<b>16</b>	Initiatives supported by Irritec S.p.A. for green areas, health, art, culture and sport
<b>4,400</b>	Number of hours allocated to training third parties
<b>54,000</b>	Square metres of public green areas donated



We simplify the life of those who care for plants, for work and for passion. We work so that every drop is used to the best, avoiding the waste of resources.













## CHAPTER 1

# IRRITEC'S IDENTITY, VALUES AND COMMITMENT TO THE ENVIRONMENT

## IDENTITY AND MISSION

(GRI 102-1, 102-2, 102-3-102-4, 102-8)

Irritec **was established in Sicily in 1974** and is one of the world's leaders in precision irrigation, in particular drip irrigation. Its mission is to improve the efficiency of irrigation in agriculture and gardening, reducing environmental impact. Water scarcity and growing food demand require increasing attention to the proper management of water resources through the use of highly efficient methods worldwide. Irritec designs, manufactures and distributes complete products and systems for open field, greenhouse and residential irrigation. Thanks also to collaborations with leading partners, it offers a complete range of products and services that meet the highest quality standards for all irrigation needs and applications, including construction, aqueducts and heating and plumbing.

With **15 plants** and **over 800 employees**, Irritec has production and sales branches in **Italy, Algeria, Brazil, Chile, Germany, Mexico, Peru, Senegal, Spain and the United States**. Following a circular industrial model, it constantly invests in innovation for sustainable development through research and development activities focusing on products, solutions and production processes (mainly extrusion and injection and moulding), with particular attention to the efficient use of the necessary resources.

By acting as a model for the development of a sustainable supply chain, **it enhances cooperation** with its customers and suppliers **through listening** and **by pursuing purposes of common benefit**.

Through its direct presence and widespread international sales network, Irritec closely follows farmers around the world, assisting them in the choice, design, installation and use of the most appropriate irrigation systems.






**1974**  
 a global brand  
 established in  
 Sicily


**15**  
 production and  
 sales branches


**+120**  
 Countries in the  
 world


**>800**  
 professionals  
 worldwide

Table 1: Total number of employees for each site with head office in the EU and outside the EU

Irritec branches in 2019		Employees
Irritec S.p.A. Parent Company		436
Irritec Mexico Group		132
Irritec Iberia S.A.		72
Irritec U.S.A. Inc.		57
Irritec do Brasil Industria E Comercio		39
Irritec Chile S.A.		27
Drip globe Systemes d'Irrigation SARL		16
Idromed Sardegna S.U.R.L.		14
Ingenieria Y Riegos Extremadura S.L.		14
Irritec Deutschland G.m.b.H.		8
Idromed Surl		5
Imper Regas Lda.		24
<b>Overall total</b>		<b>844</b>

Irritec S.p.A. is a joint-stock company that adopted a system headed by a sole director in 2019. The formal decisions of the sole director are supported by several company committees. The governance model includes a strategic committee that meets every fortnight and is supported by different vertical groups for various matters, including the foreign affiliates, supply chain, ITC, quality, resources, risks, marketing and management control committees. Starting in 2021, it will adopt a new governance system entrusted to a BoD.

The sustainability reporting process was launched in 2018, leading to the publication of Irritec's first Communication on Progress on the website of the United Nations Global Compact, a programme to which the company adheres.

At the level of control bodies, the company has a board of statutory auditors composed of a chairman, two auditors and alternates.

Irritec S.p.A.'s shareholders are: Carmelo Giuffrè, sole director, Giulia Giuffrè, Lucia Giuffrè and Mauro Giuffrè.

The individual and consolidated financial statements are subject to voluntary auditing by a specific auditing company registered with Consob.

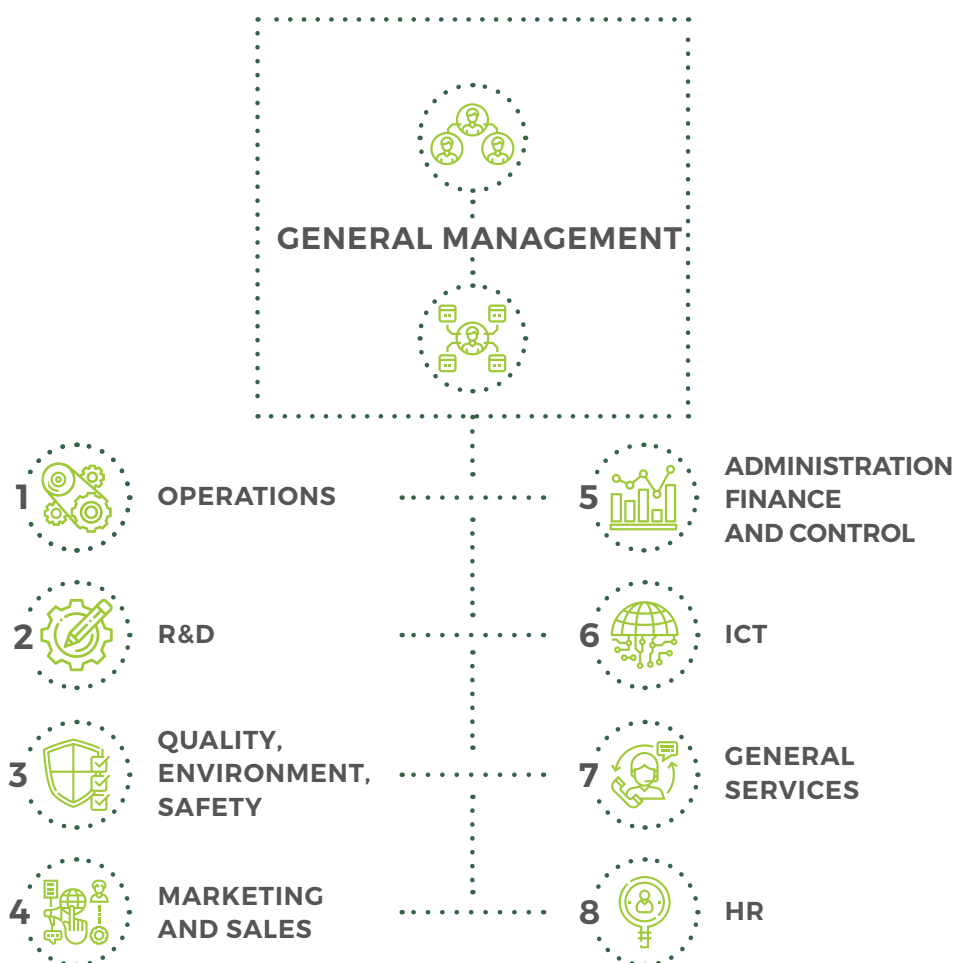
In 2019, Irritec S.p.A. defined the guidelines of an Organisational and Management Model that was consistent with the purposes referred to in Italian Legislative Decree 231/2001. In the same year, the Code of Ethics was approved and published in order to provide guidance to anyone interested and involved in business activities. The improvement and subsequent publication of the model took place in 2020, giving rise to the preliminary dissemination activities (internal and external) and training.

# IRRITEC'S GOVERNANCE AND ORGANISATIONAL MODEL

(GRI 102-22)

Irritec's Board of Directors consists of three members: a Chairman and CEO, a Deputy Chairman and a third Director<sup>2</sup>.

Irritec's organisational structure includes General Management, which coordinates the eight business departments:



The operation of the Board of Directors includes a system of delegations to better respond to the needs of the operating structures. Each Director is responsible for supervising the performance of certain functions, in order to ensure an efficient and effective exchange of information flows between the Board and the organisational structure.

The resolutions of the Board of Directors are adopted with the support of special technical committees for various matters, including the foreign affiliates, supply chain, ITC, quality, resources, risks, marketing and management control committees.

<sup>2</sup> In 2019, the governance system established the figure of Sole Director. The collegial model depicted here was adopted in March 2021.



## INNOVATION FOR SUSTAINABLE DEVELOPMENT SINCE 1974: A WORD FROM OUR FOUNDER CARMELO GIUFFRÈ

(GRI 102-14)

We are an international, family-run group which plays an important role in distributing water for agriculture in over 120 countries worldwide through efficient irrigation solutions, transferring tools and know-how for the implementation of sustainable agricultural practices.

We believe that by continuing to invest in the research and development of innovative solutions, we can help improve access to food, water and work, in line with the objectives of sustainable development.

During the current emergency caused by the Covid-19 pandemic, we are called upon to work even harder to support the agri-food chain, ensuring, as always, the safety of our employees and support for our customers and suppliers.

• In this document, we report  
• our actions to continuously  
• improve the integration of  
• the principles of sustainable  
• development into our  
• business strategy, our culture  
• and our daily actions.



**Carmelo Giuffrè,**  
Chairman and CEO of Irritec S.p.A.



Carmelo Giuffrè, Chairman and CEO of Irritec S.p.A.

We are also committed to sharing this information with our stakeholders using our primary communication channels, as we believe that only by collaborating with our customers, suppliers and other stakeholders, "drop by drop", can we face global challenges, improve our lives and protect our planet.

## IRRITEC'S COMMITMENT TO THE WORLD TOLD BY MARKETING DIRECTOR AND SUSTAINABILITY AMBASSADOR GIULIA GIUFFRÈ

(GRI 102-14)

Our passion is our best weapon. With curiosity and determination, we try to make the best of people and challenges at Irritec, constantly looking ahead, focusing on innovation.

Our technologies are accompanied by an innate calling towards environmental protection. In recent years, we have integrated this mission into a circular economy project that is even more structured and focused on the objectives of sustainable development. Today Irritec is a reference model for global sustainability and an active member of the United Nations Global Compact (UNGC).

We value human and environmental resources at Irritec in order to make a significant contribution to building a better, fairer and more respectful society, including in contexts dedicated to recognising the value of women in agriculture and eliminating inequalities.

The current pandemic has taught us how important it is to preserve natural contexts, and drip irrigation helps us seize the most from every drop of water and every inch of our planet.

During 2020, Irritec has supported farmers more than ever, reorganising its procedures and further investing in sanitation and safety to preserve the health and safety of its employees and their families.

*Giulia Giuffrè*  
**Giulia Giuffrè,**

Irritec S.p.A. Board Member and Sustainability Ambassador

Giulia Giuffrè, Irritec S.p.A. Board Member and  
Sustainability Ambassador

All this took place within a climate of collaboration and commitment, starting with the employees, which Irritec management decided to support in various ways: doubling the contribution for work days on-site established by the Cura Italia Decree, allowing more flexible hours, extraordinary paid leave of up to five days for parents with school-age children, and the stipulation of a Covid-19 insurance policy in favour of all staff.

Irritec's commitment also affected the community, making knowledge and technologies available for the health emergency. The various activities include the creation of valves to convert diving masks into masks for pulmonary ventilators and their donation to several hospitals in Southern Italy

[www.irritec.com/coronavirus](http://www.irritec.com/coronavirus)

We at Irritec will always strive to make our contribution for a better world. The future will be more virtual and less linked to physical locations, but it will also be more ready to cooperate and enhance previously forgotten contexts. Information sharing and communication will thus play an increasingly decisive role in overcoming global challenges. Starting from raising people's awareness of the correct management of water, so that one day those who buy a tomato at the supermarket will insist on knowing how much water was used to grow it and will be able to choose consciously.





## VALUES AND AIMS OF COMMON BENEFIT

(GRI 102-16)

Irritec pursues multiple **aims of common benefit**, with particular attention **to the environment, the territory and the local communities** of the areas where it operates, acting with responsibility and transparency towards all stakeholders, for the well-being of people and the development of a sustainable supply chain in agriculture and gardening.

### Based on its values...



INNOVATION FOR DEVELOPMENT



COMPETENCE



ACCOUNTABILITY AND  
COMMITMENT TO THE  
ENVIRONMENT



CONNECTION WITH THE  
TERRITORY



WORK ETHICS



INTEGRITY





## ... In particular, Irritec pursues four aims of common benefit:

1

### **AWARENESS-RAISING AND DISSEMINATION OF THE CORRECT MANAGEMENT OF WATER, ENERGY, AND EVERY RESOURCE,**

with particular attention to agriculture and gardening, for economic and social development and environmental sustainability in Italy, abroad, and in developing countries.

2

### **INNOVATION FOR SUSTAINABLE DEVELOPMENT**

through research and development activities focusing on products, solutions and production processes, with particular attention to the efficient use of raw materials and energy, following a circular industrial model.

3

### **SUSTAINABLE SUPPLY CHAIN DEVELOPMENT**

acting as a model and enhancing the cooperation and listening of customers and suppliers for the pursuit of common principles and objectives

4

### **ENHANCING HUMAN RESOURCES**

by creating increasingly comfortable working conditions in terms of staff well-being and satisfaction.

## RELEVANT TOPICS

(GRI 102-47)

In order to pursue its aims of common benefit, Irritec used an internal survey to identify the relevant topics as indicated below, divided by area.

### ENVIRONMENT

- efficient use of water resources
- hi-tech plastic respectful of the environment
- efficient use of energy resources in the industrial model
- circular economy through waste enhancement and regeneration



### BUSINESS AND PRODUCTION QUALITY

- centricity of the farmer, assistance and loyalty
- creation of economic value integrated with share capital and environmental value
- responsible marketing
- product and process innovation



### GOVERNANCE AND STAFF, COMMUNITIES AND HUMAN RIGHTS

- inclusion of sustainability in business strategies and the risk system
- employee well-being: health, safety, engagement
- contribution to the development of the local territory

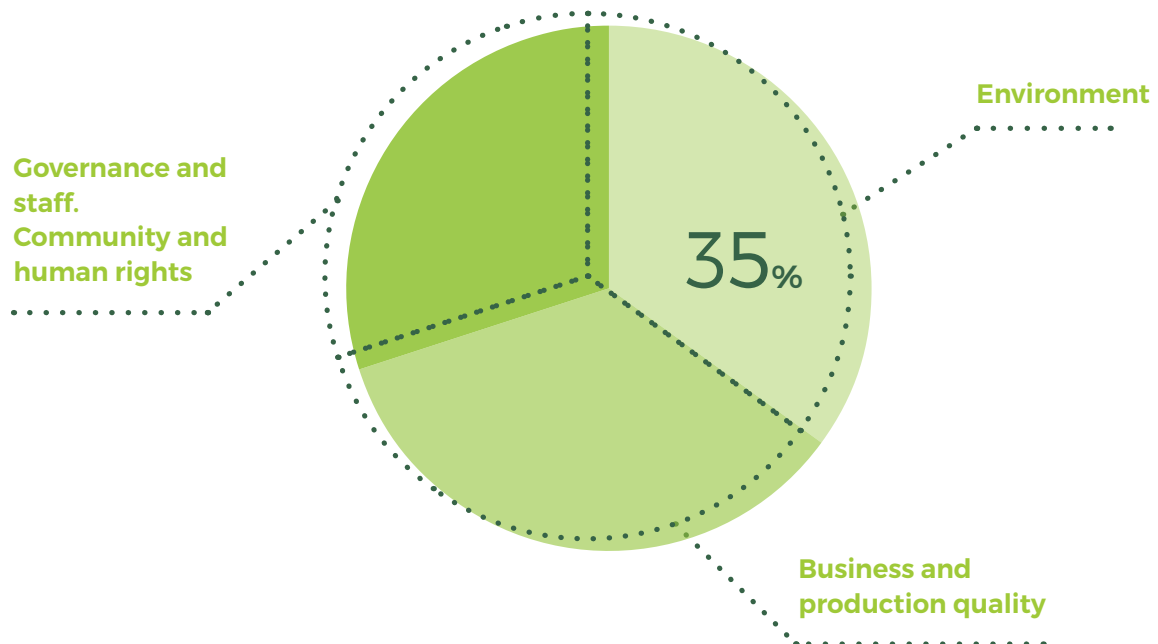


With the first identification of the relevant topics, a new path of stakeholder inclusion was initiated that will be completed in 2020.

The list of relevant topics shows that Irritec follows a business model strongly integrated with the environment, as shown in figure 2.

This characteristic factor is confirmed by the importance that the areas of Business and Production quality and the Environment assume with respect to the set of relevant topics: 70%<sup>3</sup> (35%+35%).

Figure 2: Integration percentage of the relevant topics (by area) in the industrial model.



<sup>3</sup> The integration of the relevant topics into Irritec's industrial model was determined based on a linear methodology adopted by Irritec for the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures were asked to give each one a priority with a score. The priority given by the department heads on a percentage basis is representative of the relevance of the topics identified.







# THE UNITED NATIONS GLOBAL COMPACT: COMMITMENT TO SUSTAINABLE DEVELOPMENT

We carry out our activities in Italy and in the rest of the world while pursuing the objectives of sustainable development within the United Nations Global Compact programme.

Irritec adheres to the United Nations Global Compact programme. With its commitment, the company integrates the principles of human and labour rights, environmental protection and the fight against corruption promoted by the initiative into the company's strategic vision, organisational culture and daily operations and, more generally, pursues the sustainable development goals set by the United Nations.

Irritec publishes the Communication on Progress (CoP) on the Global Compact website and on its website annually. With this communication, companies that adhere to the Global Compact annually inform their stakeholders about the activities implemented and the results achieved.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## PRIORITY SDGs



### ZERO HUNGER

#### End hunger, achieve food security and promote sustainable agriculture

According to FAO estimates, in 2050 the world population will exceed 9 billion, with a **consequent increase in daily food needs**. Especially in developing countries with food deficits, efficient irrigation technologies are of vital importance for rural economies.

In these contexts, Irritec experts contribute to the **development of local professionalism** through comprehensive training. The

implementation of irrigation technologies allows the reduction of water and energy consumption with an **increase in productivity** (which varies **from 20 to 90%**), contributing to the achievement of food self-sufficiency and a consequent improvement in living standards, as agriculture also becomes a source of income.



### CLEAN WATER AND SANITATION

#### Ensure availability and sustainable management of water and sanitation for all

Sustainable water management is one of the distinguishing factors of Irritec's Value Proposition.

**Drip irrigation** is the most efficient method and compared to furrow or flood irrigation it allows about 50% water and energy savings, fertiliser savings of almost 30% and an increase in production that varies from 20 to 90%.

In 2019, the actions implemented by Irritec produced the following results:

Creation of **356,984 hectares** of sustainable irrigation thanks to Irritec solutions (4% of

the world's micro-irrigated area) which have saved:

- **441 million CM of water**
- **32,284,421 million kW of electricity**

Even within its own production organisation, Irritec is committed to sustainable water management, in line with its main objectives. Irritec's water needs are **92.6%** covered by **water extracted from wells** (entirely destined for production), thus avoiding to subtract excessive volumes of water from the public aqueduct, potentially subject to water stress.

7 AFFORDABLE AND  
CLEAN ENERGY

## AFFORDABLE AND CLEAN ENERGY

### Ensure access to affordable, sustainable and modern energy for all

The **energy savings** obtained thanks to the installation of Irritec irrigation systems in the world on a total area of **356,984 hectares** was **32,284,421 kW** in 2019.

Irritec adopts a responsible energy management system that includes the use of solar panels, whose energy production represents **2.7% (609**

**mWh)** of total consumption.

Thanks also to the updating of production machinery, from **2018 to 2019 it reduced its energy consumption (- 9.4%)** and the **intensity index of electricity** purchased per amount of product **(-10%)**.

8 DECENT WORK AND  
ECONOMIC GROWTH

## DECENT WORK AND ECONOMIC GROWTH

### Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Irritec marketing is **responsible marketing**. It works every day to spread environmental awareness by involving farmers, retailers, academia, bodies and institutions in the pursuit of the objectives of sustainable development.

**Farmers** are an essential resource for the development of new solutions. Irritec passionately works to **offer farmers solutions and assistance** for the sustainable development of their activities.

Irritec's Administrators and Executives work to ensure employees have a **safe working environment**.

Any form of discrimination, corruption, forced labour or child labour is repudiated, within the framework of the **UN's Universal Declaration of Human Rights**.

The Irritec retailer network is able to reach **95%**

**(677,596) of Italian farms.**

In 2019, Irritec supported 2,146 retailers, of which:

- **14% consists of new customers**
- **82% are loyal customers**, having confirmed orders in the three-year period 2017-2019
- **60% increased their Irritec purchases** in 2019
- In 2019, the generated value of the Irritec group was **177,657,000 euros**, of which **26%** on the domestic market and the remaining part **(74%)** on the world market.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## RESPONSIBLE CONSUMPTION AND PRODUCTION

### Ensure sustainable consumption and production patterns

At Irritec, production and consumption are based on the principle of **circular economy**. Production is the result of a process of **constant innovation** which, while fully respecting the environment, allows the creation of **high-quality products** for the most efficient irrigation techniques. Thanks to the **Green Fields** project launched in Italy in 2015 and extended to Mexico, Irritec promotes the **correct disposal of end-of-cycle irrigation products** by assisting farmers and putting them in contact with authorised collectors.

In 2019, the actions implemented by Irritec produced the following results:

- Transformation of **30,269 tons** of plastic material
- Thanks to the **Green Fields** project, the **amount of plastic material collected by farmers** has **increased by 85%** compared to 2018 in Italy and **23%** in Mexico
- Adoption of **14 quality certifications** including 3 system and 11 product certifications
- Use of **65% cardboard packaging** with recycled material

13 CLIMATE ACTION



## CLIMATE ACTION

### Take urgent action to combat climate change and its impacts

Recognising the importance and urgency of the climate challenge, Irritec is constantly committed to this front, integrating measures aimed at reducing greenhouse gas emissions. **The development of increasingly efficient products** that contain **less plastic** allows to contribute to the **reduction of CO<sub>2</sub>** emissions generated by the production and processing of raw materials.

Thanks to the **Green Fields** project launched in Italy in 2015 and extended to Mexico, Irritec promotes the correct disposal of end-of-cycle irrigation products by assisting farmers and putting them in contact with authorised collectors.

Irritec is also working to implement a **Carbon Footprint** calculation system

In 2019, the actions implemented by Irritec produced the following results:

- energy savings of **699,345,636 kWh** generated by Irritec projects, products and technologies worldwide
- **reduction of energy consumption** per product unit: - **10%**
- thanks to research and development activities, there was an increase of over **6%** in the use of **recycled raw materials** compared to the previous year, with a consequent reduction in the carbon footprint of **43,842 tons of CO<sub>2</sub>**
- thanks to the collaboration of farmers, the **amount of plastic material collected from the field with the Green Fields programme** has increased by **85%** compared to 2018 in Italy, and **23%** in Mexico.







## THE OTHER SDGS PURSUED BY IRRITEC



### GOOD HEALTH AND WELL-BEING

- Irritec's Administrators and Executives work to ensure **employee health and safety**
  - **67%** of employee **training hours** are dedicated to safety
- the **average accident rate** of the last six years is **lower than the national average**
- all employees are invited to prepare a **monthly report** in order to share results and their **level of satisfaction** with their manager



### GENDER EQUALITY

- Irritec pays particular attention to the protection and recognition of the dignity, freedom and **equality of human beings**.
- Irritec offers special considerations to **pregnant employees**, ensuring **suitable and flexible working conditions** according to the needs of the worker and the child (reserved parking, part-time work, flexible hours, parental leave, etc.)
- the percentage of **women among employees and managers** is **35%**. Considering the averages in the territory where Irritec operates (for example, only 1/3 of women have a job in Sicily - *Source: Coldiretti on Unioncamere 2018*), Irritec aims to **encourage female candidates** to "work in factories" in order to consequently increase the number of women in the company.
- in **developing countries with food deficits**, where 70% of women are employed in agriculture, **efficient irrigation technologies are of vital importance for rural economies and the status of women**. According to FAO data, compared to men, women have less access to resources for the development of their agricultural business and receive only 5% of the training dedicated to the sector. If women had the same means at their disposal, their agricultural production could increase by up to 30%, leading to an increase of up to 4% in total agricultural production in developing countries, reducing the number of hungry people in the world by up to 17%. Irritec has been working to spread efficient irrigation technologies in developing countries for years and plans to increase its presence in the territory, also with **projects dedicated to training**.



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Irritec is committed to **disseminating technological progress** to protect the planet and improve the quality of life of farmers. It constantly invests in **product innovation** and in the **improvement of production processes** in order to reduce environmental impacts and create increasingly sustainable solutions.
- Through the **implementation of complete sustainable irrigation projects** in Italy and around the world, Irritec assists and trains farmers, **transferring technological know-how**.
- **29 active patents for eight products**
- inclusion of sustainability in business **strategies** and the **risk system**

16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS

## PEACE, JUSTICE AND STRONG INSTITUTIONS

- Irritec **protects human rights** within the organisation and in the territories where it operates
- in **its relationship with customers**, Irritec follows a scale of **social values**. Irritec experts work every day to teach customers how to optimise water resources and maximise benefits in full respect of the environment, establishing a positive relationship both between the Irritec's internal staff and between staff and customers.
- Irritec's activity is inspired and based on respect for the company's values, fairness and **transparency** towards all stakeholders. The **following are strictly prohibited: corrupt practices, illegitimate favours**, collusive behaviour, direct or indirect actions aimed at obtaining personal and professional advantages for themselves or for others.











## CHAPTER 2

# ENVIRONMENT

## CONTRIBUTION TO THE ENVIRONMENT

(GRI 303-1, 303-2, 303-3, 303-5)

Irritec recognises the importance of sustainable development and is committed to protecting the environment in a manner consistent with its principles and its Value Proposition, which establishes the implementation of circular models based on advanced technologies aimed at protecting the planet Earth. By developing and delivering **increasingly efficient irrigation solutions**, Irritec enables each farmer to optimise their available resources.

At the same time, Irritec constantly monitors the environmental impact of its activities in a process of improvement through a series of actions, measures and initiatives, both locally and globally, to reduce it.

Both in carrying out activities for customers and through specific company training initiatives, Irritec contributes to **raising third parties' awareness of environmental responsibility** in the knowledge that agriculture is the sector that uses the most water.

Through drip irrigation systems, farmers can use the necessary resources efficiently and rationally, which translates into water and fertiliser savings, indirectly preserving the quality and quantity of groundwater and energy and at the same time obtaining a better yield. In doing so, farmers are able to adopt sustainable practices to save water.

Compared to traditional methods, **drip irrigation** allows about **50% water and energy savings, fertiliser savings** of almost **30%** and an **increase in production** that varies **from 20 to 90%**.

## FOCUS

### MICRO-IRRIGATION: THE MOST SUSTAINABLE METHOD

Micro-irrigation is the most efficient method because it allows the distribution of water and nutrient solutions in small quantities and more frequently, maintaining the ideal moisture level of the root zone to accurately irrigate any type of crop. The water for irrigation and nutrients for fertigation are conveyed according to the actual needs of the crop.

IT IS the most efficient method: up to 95%, allowing considerable savings in water and energy resources compared to sprinkler irrigation and traditional irrigation (furrow or flood), which respectively allow improved efficiency of 68% and 50%. Micro-irrigation also allows saving energy, fertilisers and phytopharmaceuticals and an increase in production that varies from 20 to 90%.

There are two types of micro-irrigation: micro-sprinkler and drip irrigation.

Drip irrigation systems reduce pumping costs, thanks to the lower pressure required. Drip irrigation can also be applied in the presence of poor quality water or soils with high salt content. Lastly, drip irrigation systems require less labour, which can therefore be optimised and dedicated to management, even remotely in the case of automatic



## POSITIVE IMPACTS ON THE ENVIRONMENT GENERATED BY THE SUSTAINABLE IRRIGATION OF IRRITEC IN THE 2019 FINANCIAL YEAR: WATER AND ENERGY SAVINGS IN THE WORLD

### (GRI 303-3)

Thanks to the projects, products and technologies of the Irritec group, 356,984 hectares of sustainable irrigation have been implemented worldwide, corresponding to 441,170,436 cubic metres of water saved and 699,345,636 kWh of energy saved.

Table 3 shows the hectares of sustainable irrigation, water and energy saving volumes achieved thanks to Irritec, broken down by area.



**Table 3: Hectares of sustainable irrigation, volumes of water and energy savings achieved in 2019 thanks to Irritec solutions**

Geographic area	Hectares of sustainable irrigation	%	Volume of water saved in CM	%	Volume of energy saved in kW	%
Italy	72,677	20%	101,270,605	23%	6,573,908	20%
Rest of the world	284,307	80%	339,899,831	77%	25,710,513	80%
<b>Overall total</b>	<b>356,984</b>	<b>100%</b>	<b>441,170,436</b>	<b>100%</b>	<b>32,284,421</b>	<b>100%</b>

Overall, Irritec also generated an average production increase of 35%, a reduction in fertiliser consumption of 20% and an optimisation of the workforce given by a reduction of hours dedicated to manual work of 36%.

These results have been achieved thanks to Irritec's products, solutions and technology. The 356,984 hectares of sustainable irrigation correspond to 4% of the world's localised irrigation area (micro-irrigation).

<sup>4</sup> Localised irrigation in the world: 9 million hectares

Source: AQUASTAT (FAO database on global water resources), 2016, <http://www.fao.org/nr/aquastat>

#### THE METHODOLOGY FOR CALCULATING HECTARES OF SUSTAINABLE IRRIGATION OF IRRITEC

The methodology adopted for measuring the positive impact on the environment generated by Irritec in its development of solutions for sustainable agriculture is the result of organisational interventions carried out by Irritec in 2019 in line with the group's strategies.

In a first basic version that will be the subject of future implementation interventions, the methodology includes two main steps: the first step quantifies the area converted into sustainable irrigation plants over a period of one year in hectares, broken down by geographical area; in the second step, the volume of water savings in cubic metres and energy savings in kW and the average percentages of production increase, fertiliser savings and man-hour optimisation are determined per hectare.

The methodology adopted is shown in detail here.

##### STEP 1: QUANTIFICATION OF HECTARES

In the first step, the hectares in sustainable irrigation plants made by Irritec S.p.A., divided by geographical area (Italy, rest of the world), were quantified through a conversion process that considers the sold units of certain types of items relevant for the purpose of calculating the irrigated hectares (for example drip lines, online drippers and pop-ups). The quantity per hectare varies according to the type of sustainable irrigation. Irritec has developed the adopted model by framing the different types of sustainable irrigation based on three fundamental parameters: the type of system, the type of crop and the technological improvement brought with the irrigation method. In the procedure adopted, hectares of sustainable irrigation have been calculated taking into account the quantities of items sold based on the different combinations of the parameters indicated.

##### STEP 2: QUANTIFICATION OF IMPACTS

In the second step, the water saving expressed in cubic metres and the energy saving expressed in kW per hectare and the average percentages of production increase, fertiliser savings and reduction of man hours were determined. Similar to the process followed in the previous step, different combinations of the three key parameters framing the different types of sustainable irrigation were taken into account, based on Irritec's design experiences. It was thereby possible to quantify the average percentages of reduction in water and energy consumption, production increase, fertiliser savings and optimisation of man hours. The data thus obtained were compared with benchmarks of sector studies relating to traditional agriculture to determine the impacts reported above for each type of sustainable irrigation.

## WATER CONSUMPTION IN THE INDUSTRIAL MODEL

### (GRI 303-2)

Respect for the environment and attention to water resources are common practices at every level of the company.

Irritec measures water consumption for each production plant. Table 4 shows the water consumption of all its plants in the 2018-19 period, divided by source:

Table 4: Water consumption in the plants by source (2018-2019)

Source	2018 (MC)	2018 (%)	2019 (MC)	2019 (%)
Aqueduct	10,046	8%	9,816	7.4%
Well	121,180	92%	122,289	<u>92.6%</u>
<b>Total</b>	<b>131,226</b>	<b>100%</b>	<b>132,105</b>	<b>100.0%</b>

The data collected in Table 4 represent Irritec's water consumption, that is, the water necessary for civil systems and that necessary for the water replenishment required by the operation of the auxiliary production systems. **The water used in production comes exclusively from wells** (which in 2019 represented 92.6% of the total water used by Irritec). This supply strategy allows Irritec to avoid withdrawing water from the public aqueduct, potentially subject to water stress.



Table 5 below shows the water consumption intensity index per amount of product for the two-year period 2018-2019:

Table 5: Water consumption intensity index per amount of product (2018-2019)

Water consumption intensity index*	Unit of measurement	2019	2018
Consumption of water from wells	CM	122,289	121,180
Amount of product	Kg	30,268,719	27,533,090
Water consumption intensity index	CM/Kg	<u>0.40</u>	0.44

## ENERGY CONSUMPTION IN THE INDUSTRIAL MODEL

### (GRI 302-1, 302-3, 302-4)

Energy management is a fundamental topic for Irritec. For this reason, an Energy Manager was appointed in 2018. This dedicated figure has the task of monitoring the plants' energy efficiency performance and implementing the necessary measures to improve them, in line with the sustainability objectives.

The following actions have been carried out in order to pursue the sustainability objective of energy efficiency:

- performance of energy audits
- development and implementation of energy saving strategies
- improvement projects

Thanks to the energy audits, Irritec's Energy Manager is able to better identify the areas in which energy consumption can be reduced or optimised, analysing the use of tools for the development of conservation projects.

The investments and energy saving measures already implemented in Irritec mainly include the installation of **solar panels, whose energy produced represents 2.7% of energy consumption**, and the **energy upgrading of buildings** by replacing glass and frames to optimise energy balance and the work environment of production machinery.

In the last three years, **18% of hydraulic moulding machines** have been replaced by fully electric machinery, whose energy consumption is one third of that of the hydraulic equivalent. **The reduction of energy consumption by production machinery was 1.2% from 2017 to 2018 and 9.4% from 2018 to 2019.** In addition, the new machines require a reduced volume of water and industrial oil and bring an improvement in energy efficiency in terms of consumption of kWh/kg produced, as shown in table 6:



**Table 6: Reduction of energy consumption by production machinery 2018-2019**

Year	Reduction of energy consumption per kg of material processed
2018	-1.2%
2019	<u>-9.4%</u>

The use of an average energy performance indicator on an annual basis (reduction of energy consumption in processing one kg of material) with respect to the absolute value allows to identify the continuous improvement in the achievement of energy efficiency.

To reduce energy consumption in spaces that are not permanently in use, Irritec has installed lighting fixtures with motion sensors.

As part of the upgrading programme, additional measures were taken to replace printers with more energy-efficient models.

As shown in table 7, electricity consumption in 2019 was lower than in 2018. In addition, the amount of energy self-produced thanks to plant maintenance interventions is 729,790 kWh, higher than the amount in 2018.

**Table 7: Consumption of purchased electricity in the two-year period 2019-2018**

Consumption of purchased electricity	Unit of measurement	2019	2018
Electricity purchased	kWh	26,204,259	26,320,853
Electricity self-produced (photovoltaic)	kWh	729,790	609,062
<b>Total consumption</b>	<b>kWh</b>	<b>26,934,049</b>	<b>26,929,915</b>

As can be seen from Tables 8 and 9, the energy efficiency initiatives adopted by Irritec have allowed the reduction of energy consumption per product unit, referring to both the electricity purchased and that produced through photovoltaics.

**Table 8: Electricity intensity index per amount of product 2019-2018**

Electricity intensity index	Unit of measurement	2019	2018	2017
Electricity purchased	kWh	26,204,259	26,320,853	25,510,142
Amount of product	Kg	30,268,719	27,533,090	26,369,386
Electrical intensity index per amount of product	kWh/Kg	0.82	0.91	0.97



Reduction of electricity purchased per amount of product: -10% (from 0.91 to 0.82) in the period 2018-2019

**Table 9: Photovoltaic electricity intensity index per amount of product 2019-18**

Photovoltaic electricity intensity index	Unit of measurement	2019	2018
Electricity produced and consumed (photovoltaic)	kWh	729,790	609,062
Amount of product	Kg	30,268,719	27,533,090
Electricity intensity index per amount of product	kWh/Kg	0.02	0.02



## CIRCULAR ECONOMY

(GRI 301-1, 301-2, 301-3, 306-2)

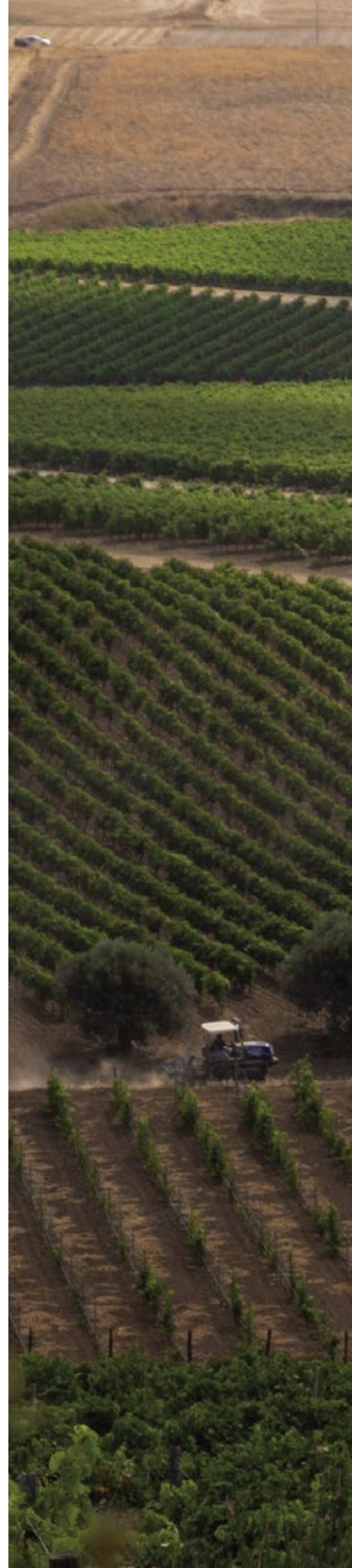
Irritec is committed to minimising the waste of resources and its ecological footprint. This makes the continuous improvement of waste management processes a priority.

Waste management and the relative strategy incorporate the principle of the three Rs: **Reduce, Reuse and Recycle**. In addition to encouraging staff to recycle all possible materials with containers for separate waste collection, Irritec manages waste in the value chain.

- Research and development activities are aimed at the design of increasingly innovative irrigation products with low environmental impact, with particular attention to the development of multi-seasonal products, with greater useful life and lower weight.

The development of increasingly efficient products that contain less plastic allows to contribute to the reduction of CO<sub>2</sub> emissions generated by the production and processing of raw materials.

According to the principle of reuse, Irritec applies a "**zero waste**" policy in production, reincorporating waste in the manufacturing process.



## THE CONTRIBUTION OF THE GREEN FIELDS PROJECT TO PROMOTING RECYCLING



Irritec's production is the result of an **innovative and efficient process that fully respects the environment and nature**. 21.6% of the raw material used by Irritec is recycled (following paragraph 2.5.3, Table 11), purchased from suppliers who recycle, among other products, also the drip lines from fields irrigated with Irritec material. With the Green Fields project launched in Italy in 2015 and extended to Mexico, Irritec promotes the correct disposal of end-of-cycle irrigation products by assisting farmers and putting them in contact with authorised collectors.

Farmers participating in the project receive Irritec's "certificate of excellence in sustainable irrigation" and a voucher for the purchase of drip irrigation products.

The project promotes the correct disposal of irrigation materials of any brand and involves various stakeholders, increasing environmental awareness among Irritec staff, companies specialising in the collection and recycling of waste, retailers and farmers.

Thanks to the spread of the initiative, there was **an increase in Green Fields project participants of 31%** in the period 2018-2020, compared to the period 2015-2017, and **an increase in project loyalty** during the same period.

Thanks to the collaboration of farmers, the amount of plastic material collected from the field has increased year after year. In particular, in 2019 there was an increase of 85% compared to 2018 in Italy, and 23% in Mexico.

Green Fields received the EIRS innovation award in 2018 in Mexico.

Irritec has integrated recycling activities within its plants in Mexico in order to allow a better use of recycled material in accordance with local regulations.

### GREEN FIELDS

#### amount of plastic material collected

**+85%**

ITALY  
(2019 compared to 2018)

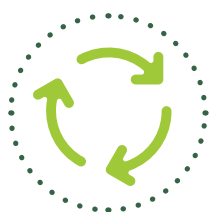
**+23%**

MEXICO  
(2019 compared to 2018)



## EFFICIENT MATERIAL MANAGEMENT

Thanks to continuous investment in research and development, the percentage of recycled raw material used in Irritec's production is constantly growing.

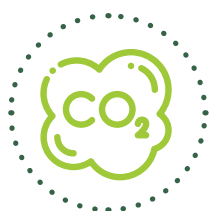


With an increase of 6% in the last two years, the percentage of recycled raw material used by Irritec in 2019 reached 24.1%

Table 10: Raw materials in Irritec production

Irritec raw material	Unit of measurement	Tons used in production	%
Raw material	tons	22,962	75.9%
Regenerated raw material	tons	7,307	24.1%
<b>Total</b>	<b>tons</b>	<b>30,269</b>	<b>100.0%</b>

In 2019 30,269 tons of plastic material were transformed, of which 7,307 tons of regenerated raw material.



CO<sub>2</sub> emissions savings  
**43,842** tons

Through the use of regenerated materials, Irritec has contributed to saving 43,842 tons of CO<sub>2</sub>.<sup>5</sup> Only thanks to Irritec's investments in technological innovations, aimed at the design of increasingly innovative irrigation products and with low environmental impact, could these results be achieved.

<sup>5</sup> The amount of CO<sub>2</sub> emitted to produce 1 kg of plastic derived from oil is about 4-8 kg (source: <https://www.xpolymers.it/co2-equivalente.html>). The figure referring to Irritec S.p.A. of 43,842 tons of emissions is calculated considering an average value of 6kg of CO<sub>2</sub> per kg of plastic produced.

Table 11: Waste divided by type and recovery operations

Waste type	Waste 2019 (Kg)	% Waste by type	Recovered waste (Kg)	% Recovered waste by type
Hazardous waste	20,702	4.5%	12,745	62%
Non-hazardous waste	443,066	95.5%	438,356	99%
<b>Total</b>	<b>463,768</b>	<b>100%</b>	<b>451,101</b>	<b>97%</b>

As shown in Table 11, 95.5% of Irritec waste is classified as "non-hazardous". The percentage of hazardous waste (4.5%) is below the national average (6.7%) according to the "Special Waste Report 2020 edition" of Isprambiente<sup>6</sup>. In addition, over 97% of Irritec's total waste, both hazardous and non-hazardous, is subjected to recovery operations, well above the national figure, which according to Isprambiente data amounts to 70%.

Table 12: Origin of the product sold by Irritec

Product origin	Weight "Kg"	%
Product manufactured by Irritec	26,602,711	95.2%
Third-party product sold by Irritec	1,330,854	4.8%
<b>Total</b>	<b>27,933,565</b>	<b>100.0%</b>

The data in Table 12 show the company's high degree of autonomy. This value allows Irritec to transfer research and development investments to its products and ensure their quality.

<sup>6</sup> [https://www.isprambiente.gov.it/files2019/pubblicazioni/rapporti/RapportoRifiutiSpecialiEd.2019n.311\\_DatiDiSintesi\\_Rev24Settembre2019.pdf](https://www.isprambiente.gov.it/files2019/pubblicazioni/rapporti/RapportoRifiutiSpecialiEd.2019n.311_DatiDiSintesi_Rev24Settembre2019.pdf)









## CHAPTER 3

# COMMUNITY AND TERRITORY

(GRI 203-1, 203-2, 412-1, 413-1, 413-2)


## PROJECTS AND PROGRAMMES TO IMPROVE PEOPLE'S LIVING CONDITIONS AND THE ENVIRONMENT

### SOCIAL AND ECONOMIC PROGRESS IN AGRICULTURE AND PROJECTS IN DEVELOPING COUNTRIES

(GRI 203-1)

Especially in developing countries, Irritec staff and the projects carried out are of vital importance for rural economies.

Through training, Irritec experts contribute to the development of qualified local workers, which leads to a better standard of living, mainly because efficient irrigation technology increases agricultural production, thus helping farmers achieve food self-sufficiency (right to water and food) and the transition from agricultural self-sufficiency to agriculture as a source of income (right to work).



## TRAINING TO IMPROVE LIFE THROUGH SUSTAINABLE TECHNOLOGY

Irritec works every day to spread environmental awareness by involving farmers, retailers, academia, bodies and institutions in the pursuit of the objectives of sustainable development.

Through the implementation of complete sustainable irrigation projects around the world, **Irritec transfers its know-how to optimise the use of natural resources while fully respecting the environment.**

After analysing the particular solution based on the soil, crops and available water source, Irritec designs the irrigation system that best meets the farmers' needs. After supplying the goods, Irritec provides installation and training assistance directly or through its partners. By assisting and training farmers, Irritec agronomists teach them how to use, maintain and get the most out of efficient irrigation systems, transferring know-how and confidence in technology and contributing to the development of environmental awareness. Following a gradual approach, the agronomists provide farmers with the basic knowledge and then manage the automatic irrigation systems with remote control. The training is aimed at the creation of qualified professionals in the countries where the system is installed.



• The Irritec Academy programme offers a series of conferences, seminars and courses at institutions, universities, research centres and also at retailers' premises worldwide.







The seminars are aimed at sharing sustainable irrigation practices and experiences at the corporate, educational and institutional levels.

As part of the Irritec Academy programme, **Irritec has developed the so-called “Agri Lab”**: pilot projects aimed mainly at developing countries through which to identify and train local irrigation experts, while offering a valuable contribution both in terms of social development and that of food for the community of the countries targeted by the project. The projects include face-to-face training sessions (courses, seminars) and training on irrigation systems to be installed in test fields.

A series of activities arise from the link with the territory and the desire to offer a tangible contribution to enhancing professionalism and integrating youth into the labour market. To name a few:

- **creation of a partnership** with local industrial-technical education institutions through school-work alternation projects, aimed at developing in-depth knowledge of basic technical skills
- **creation of events** aimed at teachers, to establish dialogue and discussions on the skills required by companies and those which students develop through the current curricula
- **meetings and conferences** with teachers and students to encourage job placement training
- **management participation** in various events organised by local schools in order to recount their entrepreneurial experience and the importance of skills and knowledge for accessing the labour market
- **activation of curricular internships** with university students to facilitate professional choices through direct knowledge of the labour market.



Irritec contributes  
to the development  
of qualified local  
workers



## INITIATIVES IMPLEMENTED IN 2019

(GRI 413-1)

Irritec's commitment is evidenced by its initiatives and activities in different areas, as follows.

### ENHANCEMENT AND PROTECTION OF VEGETATION

Irritec is active in the protection and enhancement of green areas at the urban level, as demonstrated by its various projects throughout Italy. After designing and exclusively constructing the drip irrigation system of the Biodiversity Park within EXPO 2015, the same year Irritec sponsored and actively participated in the Green City project promoted by the municipality of Milan, dealing with the design and supply of the irrigation system of the Lea Garofalo garden. In addition, Irritec created and still cares for the entire flower bed in Piazza Scala in Milan, in which the irrigation system takes care of the very rare Susan Daniel roses, purchased by a nursery and whose proceeds are donated to a charitable theatrical foundation for children.

### ART AND CULTURE: PROMOTION OF ITALIAN CINEMA

As an active supporter of cultural events and promoter of Italian cinema, the company has contributed to the production of three Italian films with prominent casts - *Vino Dentro*, *Basta Poco* and *I Siciliani* - in addition to sponsoring the last four editions and establishing the Irritec award at Sicilia.doc<sup>7</sup>, an event dedicated to documentary cinema, where figures who have distinguished themselves not only for their artistic qualities but also for their value and commitment in the social field are rewarded ([www.salinadocfest.it](http://www.salinadocfest.it) - [www.irritec.it/rassegna-stampa/salina-doc-fest](http://www.irritec.it/rassegna-stampa/salina-doc-fest)). In 2019, while celebrating the XIII edition of the festival with the theme of (RE)EXISTENCES, the Irritec Sicilia.doc prize was awarded to Letizia Battaglia, a world-renowned Sicilian photojournalist.

<sup>7</sup> The Salina DOC fest is a film festival dedicated to narrative documentary that is held every year on the island of Salina, in the Aeolian Islands. Created in 2007 by Giovanna Taviani, with more than 1,500 films having participated, 300 films screened, 1,000 directors and production companies from 12 countries involved (Italy, France, Austria, Belgium, USA, Brazil, Spain, Germany, Canada, Denmark, Egypt, Sweden), 20 sections including an international competition, non-competitive sections, workshops and special events, over 200 accredited journalists and about 700 "special" guests, in addition to 30,000 visitors, it is a benchmark festival for documentaries.





## SPORT

Irritec provides its contribution and support to promote and enhance sports, especially among youth. As co-founder of the team ASD Costa d'Orlando Basket, which was in series B in Italy in 2019, the Giuffrè family supports the Costa Academy project that brings children from five years of age onwards closer to the world of basketball. In 2019, it sponsored several sports projects including "Bike Tour on the roads of Europe", thanks to the idea of a young cyclist and the "Gran fondo dei Nebrodi" cycling competition.

## LABOUR AND SOCIETY: THE CONTRIBUTION TO GENDER EQUALITY

Among the various initiatives carried out, there is no shortage of contributions to gender equality.

Over time, Irritec's social commitment has reinforced its new role as a group advocating the fight against violence against women. In this context, Irritec has supported initiatives such as the marathon Pink Running Sicily.

## HEALTH: CONTRIBUTION TO THE "WONDERLAD" PROJECT

Irritec participated in the project that led to the construction of the green spaces and "therapeutic gardens" of WonderLAD, a facility created by the non-profit LAD intended to accommodate, during their treatment periods, children suffering from oncological diseases and other serious diseases, together with their families.

For the irrigation system, a small natural source was exported to the area and a water collection system was created. The entire Irritec "drip line" irrigation system is fully automated to maximise water use and energy consumption. [www.youtube.com/watch?v=7zEC6O0CUtI](https://www.youtube.com/watch?v=7zEC6O0CUtI)



Piazza della Scala, Milan

## AWARENESS-RAISING AND DISSEMINATION OF WATER SAVING CULTURE

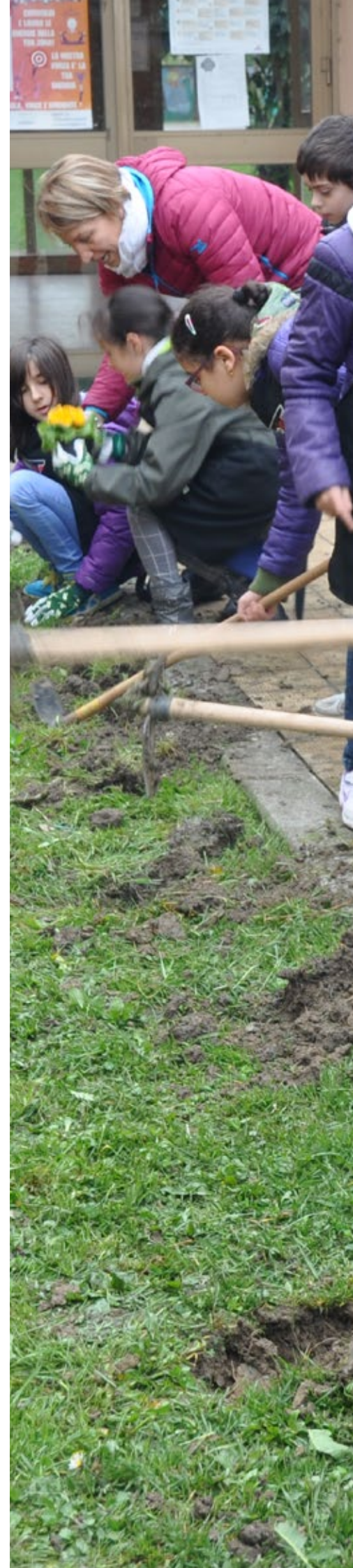
Among the initiatives carried out in 2019, the **Orto in condotta** project deserves mention, a Slow Food project that Irritec has supported since 2015 with the aim of improving the eating habits of children and families, as well as their relationship with the environment.

Irritec contributed to the project by donating residential irrigation kits to some of the schools in the country and explaining the benefits of drip irrigation and related water savings to teachers and children. The project led to the construction of 480 gardens and involved over 46,000 participants, including children, parents and other recipients.



The initiative was also highlighted by the national media:  
[milano.repubblica.it/cronaca/2020/08/30/news/orti\\_didattici\\_milano-265843188/](https://milano.repubblica.it/cronaca/2020/08/30/news/orti_didattici_milano-265843188/)

- In 2019, according to an
- internal estimate, Irritec
- donated about 54,000
- square metres of irrigation
- and over 4,400 hours of
- training for activities in
- support of the territory.









# 2019 INITIATIVES .....



## GREEN AREAS .....

Purpose	Name	Association	Social impact
Training and awareness-raising	Orti in condotta [Gardens in the pipeline]	Slow Food	Created 481 school gardens, affiliated 90 conduits to Slow Food, involved 36,000 students and parents, in 184 Italian municipalities
Sustainable cities	Giardini spazio Base [Spazio Base Gardens]	Spazio Base	Created over 200 sqm of green areas
	Piazza della Scala Milan	Municipality of Milan	50 sqm of green areas cared for by Irritec
Training and awareness-raising	Missione Sierra Leone	Empower Africa	
Local traditions	Festa della Fragola [Strawberry Festival]	Municipality of Lamezia Terme	Over 40 producers involved
Training and awareness-raising	Garden Festival Radice Pura	Fondazione Radicepura	5 hectares of land and over 3,000 species of plants present; 6-month festival with over 200 cultural events
	Earth Day Capo d'Orlando	Associazione Gentili con la Terra	



## HEALTH .....

Purpose	Name	Association	Social impact
Prevention	Lotta Tumori Ospedale Pavia [Pavia Hospital Fight]	Associazione Tumori Pavia	1,500 hours support to the hospital
Healthcare and social assistance	Memorial Federico Amato	AVIS Gioiosa Marea	Organised the "Blood donation" day, which obtained over 500 donations in one day
	WonderLAD Gardens	WonderLAD	2 hectares and over 2,000 sqm of green areas irrigated, for children to play and have fun outdoors during rehabilitation or cancer treatment



## ART AND CULTURE

Purpose	Name	Association	Social impact
<b>Art</b>	Festival delle arti e del ferro [Festival of the Arts and Iron]	Associazione Homo Faber	Over 90 exhibition days: over 10,000 visitors
<b>Literature</b>	Il Rabdomante Newspaper	Associazione il Rabdomante	
<b>Cinema</b>	"Rapiscimi" Film Distribution	Whale Pictures	
<b>Local traditions</b>	Festa Maria di Portosalvo	Parrocchia di Scafa Capo d'Orlando	
	Festa Santa Tecla	Parrocchia di Mirto	
	Festa S. Giuseppe	Parrocchia di Capo d'Orlando	
	Festa S. Lucia	Parrocchia di Capo d'Orlando	
<b>Music</b>	Mirto Rock Fest	Associazione Ritmo Rock	5 hectares of land and over 3,000 species of plants present; 6-month festival with over 200 cultural events
<b>Training and awareness-raising</b>	Progetto Internazionale Popoli in cammino	IC Torrenova	Over 300 students involved across Europe
<b>Cinema</b>	Salina DOC Fest	Fondazione Salina DOC Fest	



## SPORT

Purpose	Name	Association	Social impact
<b>Basketball</b>	Basketball Season B2	Costa d'Orlando Basket Sports Association	
	Costa d'Orlando Academy	Costa d'Orlando Basket Sports Association	Over 1,000 hours of sports training for students and trainees
<b>Football</b>	Capri Leone football field	Municipality of Capri Leone	2,000 sqm of green areas







The background of the page features a photograph of a green metal gate with vertical bars. Behind the gate, a hillside with dry, scrubby vegetation is visible under a clear blue sky. In the bottom left corner, a stack of coiled black corrugated metal pipes is partially visible.

## CHAPTER 4

# HUMAN RESOURCES

## HUMAN RESOURCES MANAGEMENT AND WELFARE

(GRI 401-1.401-2)

The Irritec team includes **over 800 people** from different countries and backgrounds, all working towards a common goal: to spread efficient irrigation technology around the world. As stated in the first section of the company's Code of Ethics, any type of discrimination, corruption, forced labour or child labour is repudiated. Particular attention is paid to the protection and recognition of the dignity, freedom and equality of human beings, to the protection of work, to the freedom of trade unions, to health and safety. In this regard, **Irritec operates within the framework of the United Nations' Universal Declaration of Human Rights**, the basic conventions of the ILO - International Labour Organisation - and the OECD guidelines.

The actions and behaviours of all Irritec staff, without distinction or exception, comply with the principles and contents of the Code of Ethics within the scope of their functions and responsibilities, in the awareness that compliance with the Code of Ethics is an essential part of the quality of their work. As stated in the Code of Ethics, all Irritec employees, at all levels, must comply with the principles of honesty, correctness, collaboration, loyalty and mutual respect. All levels of the organisation work with the awareness that the development of an increasingly comfortable work environment is not only just and imperative, but contributes to the success of the company.

The human resources department periodically monitors employee satisfaction and evaluates opportunities for further improvement of staff well-being in the workplace. In other words, we strive daily to ensure not only decent working conditions, but also a comfortable and welcoming environment in which employees are involved and their skills, talents and potential are appreciated and developed.



To allow management to better monitor staff activity and satisfaction levels, employees are invited to report any needs and/or suggestions. **Employees receive a bonus based on the achievement of the company's objectives every year.** In particular, over the last four years Irritec has invested in the development of a "welfare recognition system" that offers each employee who has been assigned this "bonus" the opportunity to redeem it by purchasing welfare services and thus benefiting from the tax reliefs established by law. The welfare services available include, among other things, tuition reimbursements, study holidays, language courses, etc. for both employees and their families.



Working mothers receive special attention at Irritec.

Pregnant women working at Irritec are assigned a special parking space and they can request an adjustment of their working hours after childbirth, according to the needs of the child.

All employees and their families can benefit from special rates Irritec has agreed with a certain list of suppliers of selected products/services, such as restaurants, shops and gyms. This is also a way to encourage sports activities among employees, as it is believed that physical exercise can help everyone relieve physical and emotional stress.

Cultural events are held for the members of the various branches, offered on a recurring basis through remote appointments and meetings that support multicultural cooperation and the sharing of experiences and ideas.



Another Irritec tradition is "Family Day", a festive event where all Irritec employees and their families meet outside company premises to have lunch together, play and participate in the "cake contest"

## INFORMATION ON IRRITEC STAFF

(GRI 102-8, 102-41)

With more than 800 employees worldwide (up more than 2.5% compared to 2017), the number of Irritec employees increased by 2.43% in 2018 and by 2.53% in 2019.

Over 85% of employees have a permanent contract and the trend is to increase this percentage.

An important factor for Irritec is the fact that some of its employees have been loyal to the company for over 20 years.

All staff contracts fall within the scope of collective bargaining agreements and comply with their provisions.

**Irritec staff counts an average of 436.6 employees in 2019<sup>8</sup>.**

Table 14: New hires and exits 2019

New hires and exits	2019
No. new hires	63
No. exits	57

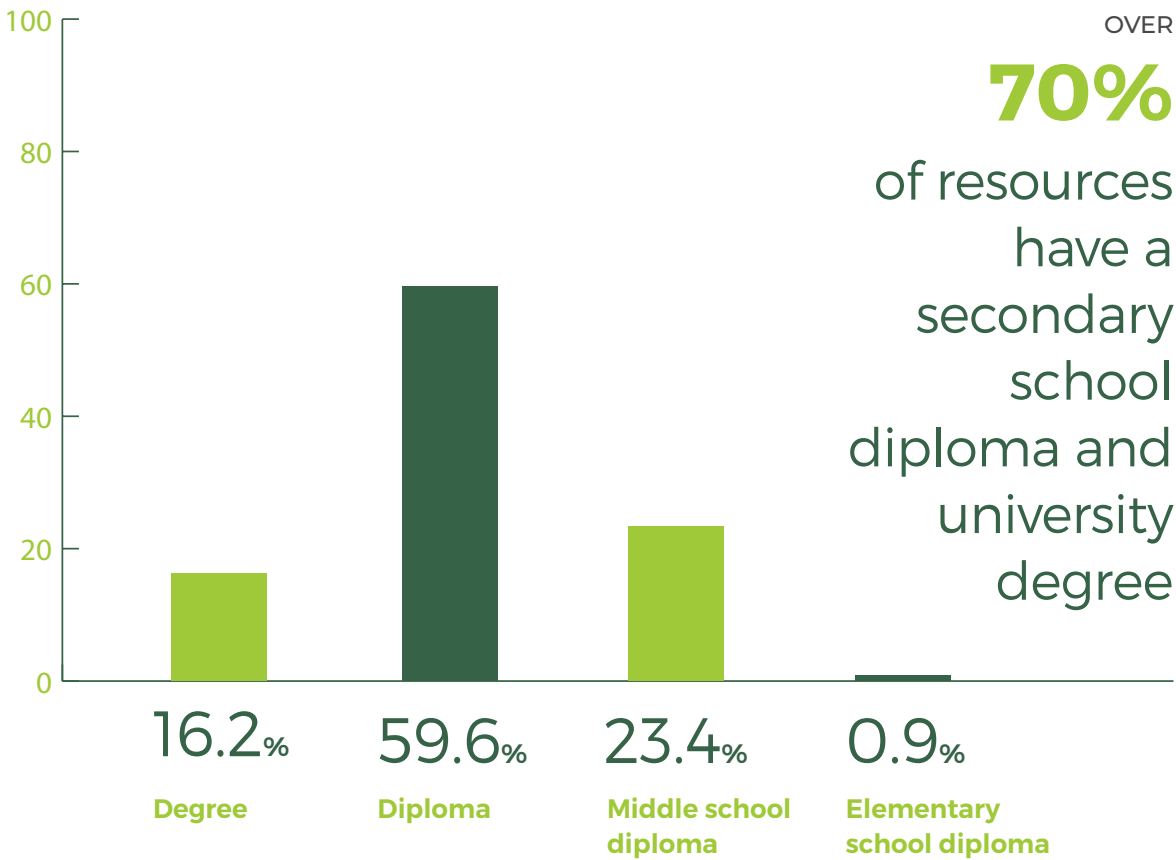


<sup>8</sup> The average is reported in relation to the number of days in which the employee is active. To better understand the data indicated, the following examples are provided:

- a) active employees from 1/1/2019 to 31/12/2019 (365 days) value = 1;
- b) active employees from 18/3/2019 to 31/12/2019 (289 days) value = 0.79 (289/365 = 0.79)
- a) active employees from 1/1/2019 to 31/12/2019 (365 days) value = 1;
- b) active employees from 18/3/2019 to 31/12/2019 (289 days) value = 0.79 (289/365 = 0.79)



Figure 15: Staff breakdown by education level 2019



CODE OF ETHICS

The Irritec group adopts a Code of Ethics that is shared with all employees and stakeholders with the aim of ensuring respect of the company's values, legal compliance, fairness and transparency, rejecting any form of corruption both inside and outside the organisation.

Irritec's management works on a daily basis to **ensure that employees have safe working premises that guarantee the best health conditions in the headquarters as well as in each branch.**

TRAINING, AWARENESS-RAISING AND EDUCATION

(GRI 102-8, GRI 403-5, GRI 403-4, GRI 404-2, GRI 404-4)

The professional growth of Irritec staff is also manifested through investments in training.

Table 16: Total training hours dedicated to each area – year 2019

Training hours by area	No. hours
Safety	3,096
Technical	1,151
Languages	349
<b>Total</b>	<b>4,596</b>

The investment in employee training represents one of the improvement objectives to be shared in the stakeholder engagement activity to be carried out in the first half of 2021.

A dedicated department works daily to prevent and reduce risks to the health and safety of workers, motivating workers to develop a sense of responsibility towards their own health and safety and that of their colleagues, encouraging the continuous improvement of each employee's individual skills.

In addition to informing all employees, safety courses have also been addressed to train forklift operators, first aid workers, emergency fire-fighters, ASPP-RSPP and bridge crane operators.

## WORKPLACE HEALTH AND SAFETY

(GRI 401-2, 403-1.403-2, 403-4, 403-5)

The accident rate and severity rate are both lower than the national average for the three-year period 2008-2010 (source: INAIL data) for the manufacturing industries for rubber and plastic processing.

Table 17: Accident rate and severity rate

	Accident rate	Severity rate
Data 2019	34.36	0.59
INAIL data for the three-year period 2008-2010	34.52	1.73



Initiatives have been promoted to increase each employee's awareness on workplace safety through training and information meetings and sessions on different topics based on the information collected, with the adoption of an accident and "near miss" procurement system.

## GENDER EQUALITY

(GRI 405-1.405-2)

Irritec is a manufacturing company with a prevalence of male employees. A significant percentage of employees is hired for the production department, mainly characterised by the presence of men, as women (10% of the total number of employees in the Italian headquarters, as can be seen from Table 18 below) tend to apply exclusively for office positions (35% of office workers are women).

Table 18: Staff breakdown by gender 2019

Gender	Average no. of employees	Average %
F	45	10.3%
M	391	89.7%
<b>Total</b>	<b>436</b>	<b>100.0%</b>



In order to increase the percentage of women working in the company, Irritec intends to encourage women to also evaluate the opportunity to work in the factory.

Table 19: Breakdown by role and gender 2019

Role	Number of women	% W.	Number of men	% M.	Total number
Executives	1	12.5%	7	87.5%	8
Office staff	42	35.0%	78	65.0%	120
Managers	2	22.2%	7	77.8%	9
Plant staff	0	0.0%	299	100.0%	299
<b>Overall total</b>	<b>45</b>	<b>10.3%</b>	<b>391</b>	<b>89.7%</b>	<b>436</b>

Irritec's remuneration policies are aimed at guaranteeing equal pay and the remuneration system is complemented by two main collective incentive tools: benefits and variable compensation. In general, both the benefits and the compensation plans are divided into professional categories and do not have discretionary and personal assignment criteria.

Table 20: Employee breakdown by contract type and gender

Contract type	Number of women	% W.	Number of men	% M.	Total number
Full time	43	10.0%	388	90.0%	431
Part time	2	40.0%	3	60.0%	5
<b>Overall total</b>	<b>45</b>	<b>10.3%</b>	<b>391</b>	<b>89.7%</b>	<b>436</b>

The remuneration policies include wage review policies, also related to performance and the growth plan, and are in line with SDG 8 "Promote lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all".







## CHAPTER 5

# SUSTAINABLE SUPPLY CHAIN

## PURCHASING CONTEXT AND MANAGEMENT: THE RELATIONSHIP WITH SUPPLIERS

(GRI 204-1, 414-1, 414-2, 308-1.102-9)

### PROCUREMENT PRACTICES

Suppliers are a category of strategic stakeholders for the company and the entire value chain, considering that they contribute to the creation of quality products and services that have made Irritec a world leader in its sector.

Irritec carries out a prior qualification of the supplier and/or executor before establishing a business relationship. In addition to verifying registration in the appropriate register, Irritec undertakes to select suppliers who share the principles of its Code of Ethics.



In order to be eligible as an Irritec partner, suppliers must possess and maintain the following eight requirements set by the company, in line with their values:

- 1 ..... **respect for human rights, workers and the environment;**
- 2 ..... **obligations regarding the protection of child labour and women;**
- 3 ..... **hygienic, health and safety conditions;**
- 4 ..... **trade union and employment rights of foreign workers;**
- 5 ..... **fight against and avoidance of undeclared work;**
- 6 ..... **correct and accurate fulfilment of remuneration, social security contribution, insurance and tax obligations;**
- 7 ..... **respect of the principles of legality, transparency and fairness in business;**
- 8 ..... **utmost degree of professionalism and diligence, as well as the utmost honesty and good faith in relations with Irritec.**

Each supplier and executor must ensure the maintenance of the aforementioned requirements until the end of the supply relationship, comply with Irritec's Code of Ethics and with the requirements and procedures set out in the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01, regularly comply with all obligations regarding workplace safety and not implement anti-competitive behaviours or practices that are harmful to the laws, regulations and rights of third parties. Finally, the qualification system adopted is also based on the UNI EN ISO 9001 (quality) and UNI EN ISO 14001 (environmental) certifications, which provide Irritec with a structured and complete system of procedures that executors must also comply with.



Suppliers and executors are chosen both in compliance with the principles of competition and equality, and on the basis of objective assessments of competitiveness, quality, utility and price.

Irritec does not maintain relations with companies which could involve situations of doubtful legitimacy or conflict of interest, and if in line with the company strategy, prefers the use of local suppliers so as to strengthen connections with the territory, favouring its economic development.

The company notes the environmental, quality, health and safety certifications held by its suppliers, in line with its sustainability choices. In fact, the main suppliers of the production and sales chain, with particular reference to raw materials, marketed products, packaging and components, are companies present almost all over the world. Once approved, a loyal relationship is established with these suppliers which lasts over time, with the loyalty also accompanied by the sharing of global values and challenges. Part of the materials is recycled, also deriving from the used material collected from the field which, after being washed, ground and re-granulated, is reintroduced into the production chain.

Also in the cardboard packaging sector, our suppliers adopt sustainability policies, providing packaging containing 30% virgin cellulose fibre and 70% recycled paper and thus considered 100% recyclable. Another important sector in the supply chain is that of services, in this case that of transport is very important for Irritec. The main suppliers adopt and match the company's sustainability policies, using vehicles in line with current environmental and safety regulations.





Over 70% of cardboard packaging is made with recycled material

Table 21: Number of purchase orders issued by Irritec S.p.A. in 2019 by geographic area

Geographic area	No. orders issued	%
Italy	2,284	81%
Rest of the world	534	19%
<b>Overall total</b>	<b>2,818</b>	<b>100%</b>

Globally, Irritec has 1,621 suppliers, of which 32% Italian, with a total of 2,818 purchase orders, excluding the items "electricity" and "miscellaneous", totalling purchases for € 97,412,000 in 2019. Analysing the data of the parent company Irritec S.p.A., it is evident that the percentage of Italian suppliers passes from 32% to 75% in terms of number and 67% in terms of value, as can be seen in Tables 22 and 23. Although there is no intention to privilege specific categories of suppliers (with reference to geographic origin), the impact Irritec has on the territories where it is most present is nevertheless evident.

Table 22: Number of suppliers Irritec S.p.A. by geographic area 2019

Geographic area	No. suppliers	%
Italy	202	75%
Rest of the world	67	25%
<b>Overall total</b>	<b>269</b>	<b>100%</b>

Table 23: Total supply chain purchases by geographic area and amount. Irritec S.p.A. data

Geographic area	Amount € 000	%
Italy	39,404	67%
Rest of the world	19,818	33%
<b>Overall total</b>	<b>59,222</b>	<b>100%</b>

## QUALITY IN THE PRODUCTION PROCESS AND CORPORATE CULTURE

### RESEARCH AND DEVELOPMENT

The company's organisation includes a department dedicated to R&D that creates innovative irrigation solutions that improve the lives of farmers so that they can save time, water, fertilisers and energy and obtain a better harvest.

Irritec adopts the highest quality standards, as attested by the 14 certifications obtained, with three relating to systems and 11 to products.

The company also makes investments in research and development in the field of sustainability. In fact, Irritec is constantly focusing on the innovation of products aimed at introducing increasingly efficient irrigation techniques, with particular attention to the environment and nature, and to exploiting the advantages of micro-irrigation in terms of water savings. Research and development activities are focused on innovation and updating manufacturing processes and products, with the aim of increasing their efficiency and reducing their environmental impact.




Irritec constantly maintains an adequate level of investment in **improving production processes** in order to improve its performance while reducing its environmental impact, with the following **six objectives**:

1. to not generate product waste in production; almost all production waste is appropriately reintroduced into the production cycle
2. to not waste water in the production process
3. to use energy and resources sparingly and recycle materials where possible
4. to carry out the necessary operations to minimise its environmental impact
5. to ensure emergency procedures to prevent and address any accidents that affect the environment and human health
6. to minimise the use and ensure the safe handling and storage of chemicals and other hazardous substances











## QUALITY CERTIFICATIONS

### SYSTEM

BRAND	STANDARD/REGULATION	DESCRIPTION	BODY	CERTIFICATION NO.
 	UNI EN ISO 9001:2015	Quality System	Kiwa	19303 - A
	EU 952/2013	Authorised Economic Operator	Agency for Customs and Monopolies	IT AEOF 16 1155

### PRODUCT

COUNTRY	BRAND	STANDARD	DESCRIPTION	BODY	
ITALY	 IT-TD-Ki0410 	UNI 9561:2006	Connecto™ +Ultra	Kiwa	KIP-107560
		UNI 7990:2015	Irritec® BD Genlene® BD drinkable	Kiwa	KIP-107561 KIP-107562
		UNI EN ISO 9261:2010	Drip line Tandem® - Multibar™ C - Multibar™ C Rootguard	Kiwa	KIP-107564
			Drip line D5™	Kiwa	KIP-107564
			Drip line Junior®	Kiwa	KIP-107564
			Drip line PI®	Kiwa	KIP-107564
		UNI EN 12201-2:2013	Irritec® - Genlene®	Kiwa	KIP-107557
		ISO 8779:2010	Cpipe® BD	Kiwa	KIP-107563
GERMANY		GW 335-B3:2011	Connecto™ +Ultra	DVGW	DW-8616BT0102
SOUTH AFRICA		SANS 14236:2003	Connecto™ +Ultra	SABS	8357/13262
SWITZERLAND		TPW 157	Connecto™ +Ultra	SVGW	1103-K 298
AUSTRALIA		AS/NZS 4129:2008	Connecto™ +Ultra	SAI GLOBAL	WMKA21524
ENGLAND		BS 6920-1:2000	Connecto™ +Ultra	WRAS	1712054

## CUSTOMER CONTEXT AND MANAGEMENT: CUSTOMER CENTRICITY

(GRI 416-2.418-1)

Irritec has a specific marketing and sales department that focuses on customers and their needs. Thus the relationship is not normally limited exclusively to product sales, but continues over the years through a widespread and continuous support service that also helps to accompany and support customer growth.

In its relationship with customers, Irritec follows a scale of social values. Irritec experts work every day to help customers optimise water resources and maximise benefits in full respect of the environment, establishing a positive relationship both between Irritec's internal staff and between staff and customers.



Through projects and support, the "sense of family" that can be felt at Irritec is conveyed from its employees to its customers

Through projects in many areas of the world, Irritec experts come into contact with farmers who tell their stories, sharing their needs and objectives, any problems encountered and results obtained. Irritec's experts become a reference point for farmers and the farmers become an essential resource for the development of new solutions. This dialogue and the appreciation of Irritec's human resources is confirmed by customer loyalty. Irritec carries out continuous research on markets and sectors in new geographic areas, also making use of the support of leading global companies specialising in market analyses. The scope of this continuous research includes the entire value chain of specific products. In this context, Irritec is considered a "customer-value leader" in the micro-irrigation sector, as recognised by the company "Frost & Sullivan".

This is how the company has steadily developed over the years, reaching leadership on the national market and expanding abroad thanks to technological innovations and the ever-new needs of international customers.

Today Irritec is present in **over 120 countries**, of which 102 are served by Irritec S.p.A. The relationship with farmers is mainly based on trust, thanks to the care and support provided and the proposed solutions able to meet their needs.

**Irritec's proximity to the world of farmers** is concretely implemented through the widespread network of retailers throughout the country (2,146 sales points and over 22,525 orders) which allows the company to reach 677,596 Italian farms, covering **95% of the territory**<sup>9</sup>.

<sup>9</sup> The calculation was made based on a Cerved analysis, which collected all the farms located within a 50 km radius of the points of the distribution network. Reference is made to agricultural companies (registered with the Chamber of Commerce with Ateco code 01- Agriculture, forestry and fisheries)



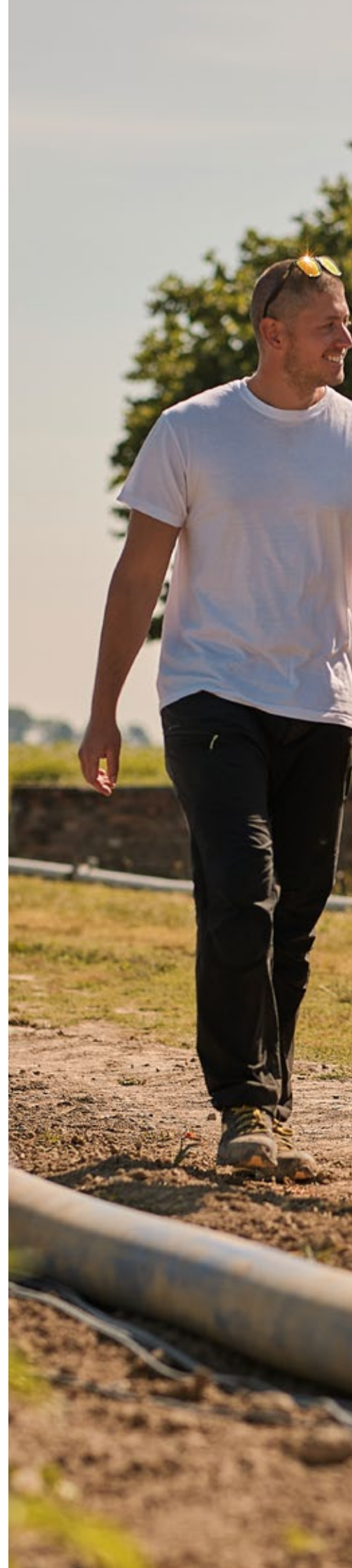
There were 14% new retailers in 2019 compared to the total, confirming the continuous growth trend.

• The loyalty that characterises the relationship with Irritec over the years is evidenced by the fact that over 82% of retailers have confirmed orders in the last three year period 2017-2019.

In addition, **60%** of retailers increased their Irritec purchases in 2019, demonstrating **Irritec's ability to generate value in the irrigation sector.**

Thanks to the **wide range** of products offered, **Irritec meets the needs** of its customers: in 2019, **81%** of retailers purchased other components, beyond the key products that make up an irrigation system (drip lines and sprinklers)<sup>10</sup>.

<sup>10</sup> The five product families that make up the irrigation systems were taken into account: • drip lines and sprinklers; • pipes; • fittings, valves and accessories; • automation and fertigation; • filters











## CHAPTER 6

# ECONOMIC VALUE GENERATED

## GENERATION AND DISTRIBUTION OF VALUE

(GRI 201-1)

This section depicts the economic value generated by Irritec and the distribution of this value to the main categories of stakeholders.



### MAIN STAKEHOLDER CATEGORIES:

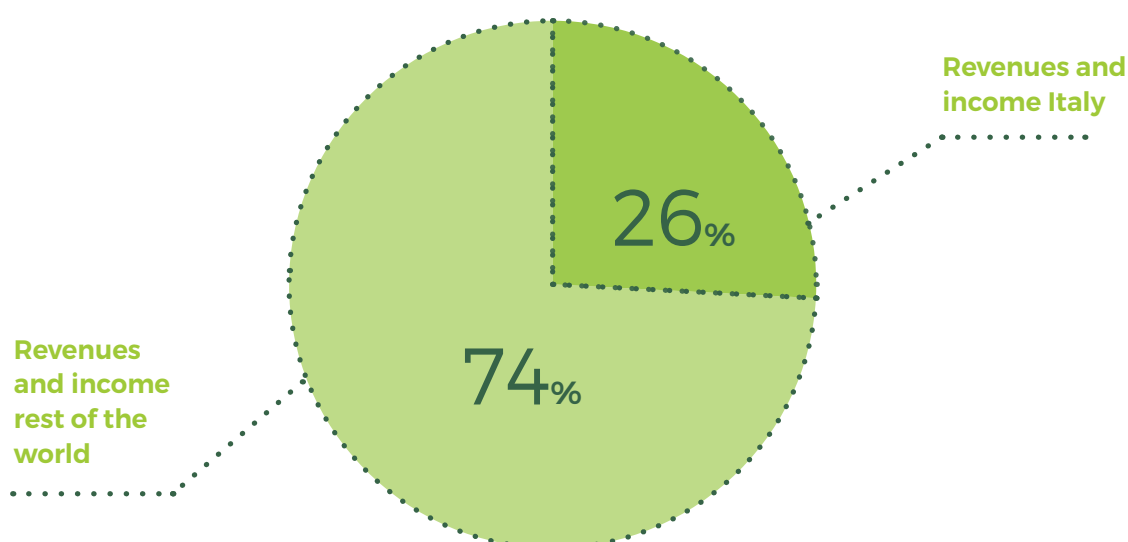
SUPPLIERS, EMPLOYEES,  
SHAREHOLDERS, PUBLIC  
ADMINISTRATION AND COMMUNITY



Table 24: Economic value generated by the Irritec group 2019-2018

Economic value generated by the group 2019-2018	2019 € 000	%	2018 € 000	%
Revenues and income in Italy	46,737	26%	44,376	27%
Revenues and income rest of the world	130,920	74%	117,310	73%
<b>Total</b>	<b>177,657</b>	<b>100%</b>	<b>161,686</b>	<b>100%</b>

Figure 25: Economic value according to geographic breakdown 2019



As can be seen from figure 25, the economic value generated by Irritec S.p.A. in 2019 is 26% from Italy and 74% from the rest of the world.

## RECIPIENTS OF THE VALUE DISTRIBUTED

Table 26 below shows the summary of the 2019 financial year, compared with the 2018 financial year, of the different categories of stakeholders benefiting from the value generated by the Irritec group.

Table 26: Economic value distributed by the group to stakeholders in 2018 and 2019

Economic value distributed by the group to stakeholders 2019-2018	2019 € 000	%	2018 € 000	%
Supply chain suppliers	(97,412)	60%	(93,317)	60%
Other suppliers	(24,856)	15%	(23,304)	15%
Salaries and wages, contributions and severance pay and corporate welfare	(34,660)	21%	(29,741)	19%
Shareholders	0	0%	(2,400)	2%
Lenders	(3,394)	2%	(3,193)	2%
Public administration and community	(3,315)	2%	(3,323)	2%
<b>Total</b>	<b>(163,637)</b>	<b>100%</b>	<b>(155,278)</b>	<b>100%</b>

The main part of the economic value distributed by Irritec is destined to the supply chain; in fact, about 60% is distributed to the supply chain, the rest is distributed among other suppliers, employees, lenders and public administration.

In 2019, no value was redistributed to shareholders in order to strengthen corporate capital and improve sustainability.

Not all the generated value is redistributed, since a part is retained to reinforce our own means.

Table 27: Economic value retained by the Irritec group 2018-2019

Economic value retained by the Irritec group 2018-2019	2019 € 000	%	2018 € 000	%
Amortisation and other provisions	(7,851)	56%	(6,222)	97%
Reserves*	(6,169)	44%	(186)	3%
<b>Total</b>	<b>(14,020)</b>	<b>100%</b>	<b>(6,408)</b>	<b>100%</b>

\*The item "Reserves" represents the sum of the items "Changes in inventories", "Increases in fixed assets for internal works" and "Result for the year".

The company's economic value retained concerns value adjustments, deferred tax assets, provisions to funds and profit for the year. Conversely, reserves are the sum of the change in inventories with increases in fixed assets for internal works and the result for the year.





# SUSTAINABILITY PLAN

## FUTURE COMMITMENTS

### **STRENGTHENING AND IMPROVING THE GOVERNANCE**

**MODEL:** Irritec decided to strengthen its governance model in the subsequent year, adapting it to the best practices of multinational companies by introducing the Board of Directors in place of the sole director in order to guarantee the plurality of dialectics in the governing body. This strengthening is accompanied by the adoption of the 231 Organisational Model.

**SUSTAINABILITY REPORT:** In line with the principle of transparency, Irritec will draw up a consolidated sustainability report for the year 2020 as an opportunity for a more in-depth analysis of the environmental and social impacts at every level of the organisation.

**CARBON FOOTPRINT CALCULATION:** recognising the urgency of the climate challenge, Irritec is working to set the parameters that will allow it to calculate the carbon footprint generated by its operations together with "zero emissions" actions and initiatives, in order to improve our contribution to limit the increase in global temperature to 1.5°C.

**INTERNAL COMMUNICATION:** Internal communication has always been an important factor in facilitating the natural flow of information and relationships at Irritec, in order to constantly increase the climate of transparency, collaboration and general well-being. In recent years, internal communication tools have become increasingly "digital": in addition to the traditional internal newspaper, new digital media have been introduced. In particular, following the new health emergency caused by Covid-19, the importance of maintaining a continuous and direct channel with all employees emerged, in order to communicate practical and immediate information (for example the new remote working methods and the provisions to avoid gatherings) and to find new ways to be together.









## CHAPTER 8

# GRI INDEX





## (GRI 102-55)

Chapter-Paragraph	GRI INDEX	TYPE OF FORMULA	FORMULA
<b>METHODOLOGICAL NOTE</b>	GRI 102-18 Governance structure	Qualitative	Description
Methodological note	GRI 102-46 Defining report content and topic boundaries	Qualitative	Description
Methodological note	GRI 102-50 Reporting period	Qualitative	Description
Methodological note	GRI 102-51 Date of most recent report	Qualitative	Description
Methodological note	GRI 102-52 Reporting cycle	Qualitative	Description
Methodological note	GRI 102-53 Contact point for questions regarding the report	Qualitative	Description
Methodological note	GRI 102-54 Claims of reporting in accordance with the GRI Standards	Qualitative	Description
<b>CHAPTER 1 IRRITEC 'S COMMITMENT TO THE ENVIRONMENT, IDENTITY AND VALUES</b>			
Identity and mission	GRI 102-1 Name of the organisation	Qualitative	Description
Identity and mission	GRI 102-2 Activities, brands, products and services	Qualitative	Description
Identity and mission	GRI 102-3 Location of headquarters	Qualitative	Description
Identity and mission	GRI 102-4 Location of operations	Qualitative	Description
Identity and mission	GRI 102-5 Ownership and legal form	Qualitative	Description
Identity and mission	GRI 102-7 Scale of the organisation	Qualitative	Description
Identity and mission	GRI 102-8 Information on employees and other workers	Qualitative	Description
Identity and mission	GRI 102-18 Governance structure	Qualitative	Description
Irritec's governance and Organisational Model	GRI 102-22 Composition of the highest governance body and its committees	Qualitative	Description
Innovation for sustainable development since 1974: a word from our founder Carmelo Giuffrè	GRI 102-14 Statement from senior decision-maker	Qualitative	Description
Irritec's commitment to the world told by our Sustainability Ambassador Giulia Giuffrè	GRI 102-14 Statement from senior decision-maker	Qualitative	Description
Values and aims of common benefit	GRI 102-16 Values, principles, standards, and norms of behaviour	Qualitative	Description
Relevant topics	GRI 102-47 List of material topics		
The Global Compact of the United Nations: commitment to sustainable development			
Priority SDGs			
The other SDGs pursued by Irritec			

Chapter-Paragraph	GRI INDEX	TYPE OF FORMULA	FORMULA
<b>CHAPTER 2 ENVIRONMENT</b>			
Irritec's contribution to the environment	GRI 303-1 Interactions with water as a shared resource	Qualitative-quantitative	Description
Irritec's contribution to the environment	GRI 303-2 Management of water discharge-related impacts	Qualitative-quantitative	Description
Irritec's contribution to the environment	GRI 303-3 Water withdrawal	Qualitative-quantitative	Description
Irritec's contribution to the environment	GRI 303-5 Water consumption	Quantitative	Description
Positive impacts generated by Irritec's sustainable irrigation: water and energy savings in the world	GRI 103-1 Explanation of the material topic and its Boundary	Qualitative	
Positive impacts generated by Irritec's sustainable irrigation: water and energy savings in the world	GRI 303-3 Water withdrawal	Qualitative-quantitative	Hectares of sustainable irrigation, volumes of water and energy savings achieved thanks to Irritec solutions
Water consumption in the industrial model	GRI 303-2 Management of water discharge-related impacts	Qualitative-quantitative	Water consumption in the plants by source
Water consumption in the industrial model	GRI 303-5 Water consumption	Quantitative	Water consumption from wells Specific parameter of the organisation
Energy consumption in the industrial model	GRI 302-1 Energy consumption within the organisation	Quantitative	Total energy consumed within the organisation + renewable fuel consumed + electricity, heating and steam purchased for consumption + Self-produced electricity, heating, cooling and steam not consumed + Sold electricity, heating, cooling and steam
Energy consumption in the industrial model	GRI 302-3 Energy intensity	Quantitative	Water consumption from wells Specific parameter of the organisation
Energy consumption in the industrial model	GRI 302-4 Reduction of energy consumption	Qualitative-quantitative	Descriptive and quantitative formula
<b>Circular Economy</b>	GRI 301-1 Materials used by weight or volume	Quantitative	Weight and Volume of materials used for recycling
Circular Economy	GRI 301-2 Recycled input materials used	Quantitative	Total recycled materials used Total materials used
Circular Economy	GRI 301-3 Reclaimed products and their packaging materials	Quantitative	Products and related packaging material recovered in the reporting period Products sold in the reporting period
Circular Economy	GRI 305-5 Reduction of GHG emissions	Quantitative	Weight and Volume of CO <sub>2</sub> saved



Chapter-Paragraph	GRI INDEX	TYPE OF FORMULA	FORMULA
Circular Economy	GRI 306-2 Waste by type and disposal method	Quantitative	Weight and Volume of waste disposed
<b>CHAPTER 3 COMMUNITY AND TERRITORY</b>			
Projects and programmes to improve people's living conditions and the environment	GRI 203-1 Infrastructure investments and services supported	Qualitative	Description
Projects and programmes to improve people's living conditions and the environment	GRI 203-2 Significant indirect economic impacts	Qualitative	Initiatives implemented by Irritec
Projects and programmes to improve people's living conditions and the environment	"GRI 412-1 Operations that have been subject to human rights reviews or impact assessments"	Qualitative	Description
Projects and programmes to improve people's living conditions and the environment	GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Qualitative	Description
Projects and programmes to improve people's living conditions and the environment	"GRI 413-2 Operations with significant actual and potential negative impacts on local communities"	Qualitative	Description
Initiatives implemented in 2019	GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Qualitative	Description
<b>CHAPTER 4 STAFF RIGHTS</b>			
Human resources management and welfare	GRI 401-1 New employee hires and employee turnover	Qualitative-quantitative	"New hires 2019 No. employees"
Human resources management and welfare	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Qualitative	Description
Information on Irritec staff	GRI 102-8 Information on employees and other workers	Qualitative	Description
Information on Irritec staff	GRI 102-41 Collective bargaining agreements	Qualitative	Description
Code of Ethics	GRI 102-15 Key impacts, risks and opportunities	Qualitative	Description
Code of Ethics	GRI 102-16 Values, principles, standards, and norms of behaviour	Qualitative	Description
Training, awareness-raising and education	GRI 102-8 Information on employees and other workers	Qualitative	Breakdown of staff by role and gender, breakdown of staff by contract type and gender
Training, awareness-raising and education	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	Qualitative	Description

Chapter-Paragraph	GRI INDEX	TYPE OF FORMULA	FORMULA
Training, awareness-raising and education	GRI 403-5 Worker training on occupational health and safety	Qualitative	Total hours of safety training
Training, awareness-raising and education	GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes	Qualitative	Total training hours for each area
Workplace health and safety	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Qualitative	Description
Workplace health and safety	GRI 403-1 Occupational health and safety management system	Qualitative	Description
Workplace health and safety	GRI 403-2 Hazard identification, risk assessment, and incident investigation	Qualitative	Accident rate and accident severity rate
Workplace health and safety	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	Qualitative	Description
Workplace health and safety	GRI 403-5 Worker training on occupational health and safety	Qualitative	Description
Gender equality	GRI 405-1 Diversity of governance bodies and employees	Qualitative-quantitative	$\frac{\% \text{ men BOD}}{\text{total members}}$
Gender equality	GRI 405-2 Ratio of basic salary and remuneration of women to men	Qualitative-quantitative	$\frac{\text{No. BOD members >30}}{\text{total BOD members}}$
Gender equality			$\frac{\text{total women's wages} \times \text{category}}{\text{Total no. women}}$
			$\frac{\text{total men's wages} \times \text{category}}{\text{Total no. men}}$
<b>CHAPTER 5 SUSTAINABLE SUPPLY CHAIN</b>			
Purchasing context and management: the relationship with suppliers	GRI 102-9 Supply chain	Qualitative	Description
Purchasing context and management: the relationship with suppliers	GRI 204-1 Proportion of spending on local suppliers	Qualitative	Total supply chain purchases by geographic area
Purchasing context and management: the relationship with suppliers	GRI 308-1 New suppliers that were screened using environmental criteria	Qualitative	Description
Purchasing context and management: the relationship with suppliers	GRI 414-1 New suppliers that were screened using social criteria	Qualitative	Description
Purchasing context and management: the relationship with suppliers	GRI 414-2 Negative social impacts in the supply chain and actions taken		Description



Chapter-Paragraph	GRI INDEX	TYPE OF FORMULA	FORMULA
<b>Quality in the production process and corporate culture</b>	GRI 102-15 Key impacts, risks and opportunities		Description
Customer context and management: customer centricity	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Qualitative	Description
Customer context and management: customer centricity	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Qualitative	Description
<b>CHAPTER 6 ECONOMIC REPORTING</b>			
<b>Generation and distribution of value</b>	GRI 201-1 Direct economic value generated and distributed	Quantitative	Reclassification of economic value by recipient
<b>Recipients of the value distributed</b>	GRI 201-1 Direct economic value generated and distributed	Quantitative	Reclassification of economic value by recipient
<b>CHAPTER 7 SUSTAINABILITY PLAN</b>			
<b>Future commitments</b>	GRI 103-2 The management approach and its components	Qualitative	Description
<b>CHAPTER 8 GRI INDEX</b>			
<b>GRI index</b>	GRI 102-55 GRI content index		GRI index with description and formula









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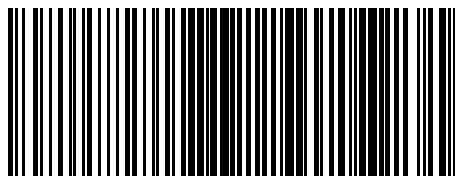
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