

SUSTAINABILITY REPORT CONSOLIDATED 2021

Irritec S.p.A.
Benefit Corporation



#### 2021 SUSTAINABILITY REPORT



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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At Irritec we care about protecting biodiversity and through our commitment we contribute to the promotion of sustainable water management.

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, with the goal of creating well-being for people and developing a sustainable supply chain in agriculture and groundskeeping.

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







# METHODOLOGICAL NOTE

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

This sustainability report represents the tool to share with our stakeholders the commitment and path taken by Irritec in pursuing the United Nations Sustainable Development Goals.

It is the result of a reporting process that began in 2018 with the drafting of the Communication on Progress envisaged by the United Nations Global Compact (UNGC)<sup>1</sup>.

Following the publication of the 2019 sustainability report based individually on the parent company, Irritec S.p.A., the group subsidiaries were brought into the process, taking part in the reporting and analysis activities functional to the preparation of the consolidated sustainability report. In April 2022 Irritec became a Benefit Company, with a commitment to publish the annual objectives.

This document refers to the period between 1 January 2021 and 31 December 2021 and describes the performance relating to the social and environmental spheres, personnel rights, and the relationship with the various stakeholders.

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

This report is published on the Irritec website following the approval of the 2021 financial statements and on the UNGC website as a Communication On Progress.

Irritec commits to prepare the sustainability report annually.

<sup>&</sup>quot;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

#### 2021 HIGHLIGHTS

#### CONTRIBUTION TO THE ENVIRONMENT AND CIRCULAR ECONOMY

Hectares of sustainable irrigation implemented worldwide thanks to Irritec projects, products and technologies that have allowed a saving of



526,743

**▶** 1,164,190,648

M3 of water

▶ 85,226,899

kW of energy

▶ 101,293

T of fertiliser

▶ 635,515

T of CO<sub>2</sub> emissions

Recycled raw material used in production

625

26.1%

Members of the Green Fields project<sup>2</sup>

#### **HUMAN RESOURCES**



921	Number of employees at the Irritec Group (51% Irritec S.p.A.)	
7,846	Number of employee training hours in 2021	
35.4%	Women among the employees	

#### CONTRIBUTION TO THE SUSTAINABLE SUPPLY CHAIN, COMMUNITY AND TERRITORY



€185,981,500	Purchases by the supply chain in 2021		
86%	Local suppliers for the group supply chain		
3,862	Number of retailers in 2021		
92%	Loyal clients		
64%	Customers who have increased their purchases		
63%	Customers who have purchased the dispensers as well as other products necessary for an irrigation system		
95%	Irritec network coverage throughout Italy		

<sup>&</sup>lt;sup>2</sup> From the start of the project

#### **VALUE GENERATED AND DISTRIBUTED**



€ 231,279,000	Consolidated revenues in 2021	
<b>75</b> %	Value generated in foreign markets in 2021	
59%	Value distributed in 2021 to suppliers of the Group supply chain	
18%	Value distributed to employees and other suppliers of the group	
+100	Number of countries in the world served by the Group	

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

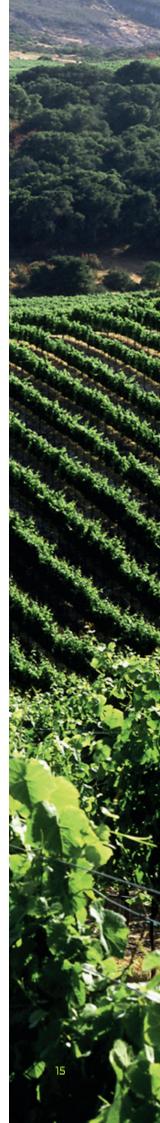
#### **IDENTITY AND MISSION**

(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 around the world require increasing attention to the proper management of water resources through the use of highly efficient methods. Irritec designs, manufactures and distributes complete products and systems for full 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 thermohydraulics.

With 16 offices and over 900 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 moulding), with particular attention to the efficient use of the necessary resources.

Acting as a model for the development of a sustainable supply chain, it values cooperation with its customers and suppliers through listening and by pursuing aims of common benefit which in 2022 are part of the corporate purpose of Irritec S.p.A., Benefit Corporation.



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.











Table 1: Total number of employees for each site located within the EU and outside the EU

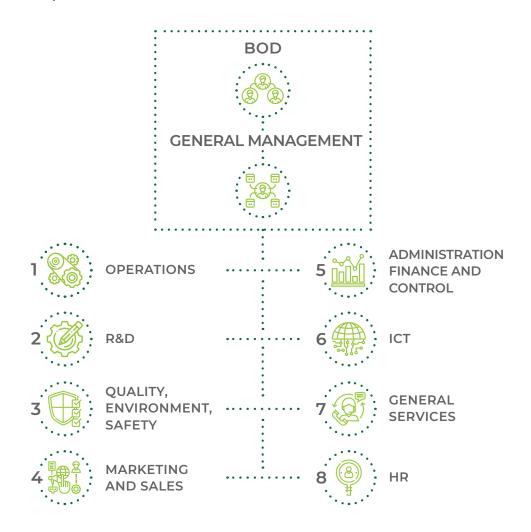
Irritec group companies 2021	Employees
Irritec S.p.A. Parent Company	471
Irritec Mexico Group	119
Irritec Iberia S.A.	82
Irritec U.S.A. Inc.	79
Irritec do Brasil Industria E Comercio	43
Irritec Chile S.A.	29
Irritec Peru	8
Irritec Senegal	8
Dripglobe Systemes d'Irrigation SARL	16
Idromed Sardegna S.U.R.L	23
Ingenieria Y Riegos Extremadura S.L.	20
Irritec Deutschland G.m.b.H.	10
Idromed Surl	6
Global Network	7
Overall total	921

# IRRITEC'S GOVERNANCE AND ORGANISATIONAL MODEL

(GRI 102-22)

Irritec's Board of Directors is made up of 3 members: a Chairman and CEO, a Deputy Chairman and a third Director.

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.

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

#### (GRI 102-14)

During the current emergency, dictated by both international political tension and the persistence of the Covid-19 pandemic, we are working to strengthen our support for the agri-food chain. We work to continue to ensure reliability in deliveries and to limit the impact of the unpredictability of raw materials, with constant attention to the well-being and safety of our employees, customers and suppliers.

We believe that by continuing to invest in the research and development of innovative solutions, we can contribute to improving access to food, water and work, in line with the objectives of sustainable development. An important milestone in this path for us is the issue of the sustainable minibond undersigned by Unicredit in January 2022. This step will support investment and innovation projects linked to the achievement of objectives in the environmental, social and governance spheres (in particular the percentage of recycled raw material used in production, hours of employee training, and the evolution of Irritec into a Benefit Company). In April 2022 Irritec S.p.A. became a Benefit Company, integrating its common benefit aims into the company's corporate purpose.

In this document we report our actions for continuous improvement of the integration of the principles of sustainable development into our business strategy, our culture and our daily actions.

Carmelo Giuffre,

Carmelo Giuffrè, Chairman and CEO of Irritec S.p



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 AS TOLD BY GIULIA GIUFFRÈ, BOARD MEMBER AND SUSTAINABILITY AMBASSADOR

#### (GRI 102-14)

Our passion is our engine. 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).

At Irritec we value human and environmental resources 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 these two years of the pandemic 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.

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

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.

Giulia Giuffre Giulia Giuffrè,

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



# VALUES AND AIMS OF COMMON BENEFIT

(GRI 102-16)

Irritec, as a Benefit Corporation<sup>3</sup>, 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 groundskeeping.

#### Based on its values...



<sup>&</sup>lt;sup>3</sup> On 13 April 2022 Irritec S.p.A. integrated its common benefit aims into the articles of association, becoming a Benefit Company according to Italian Law 208 of 28 December 2015.





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

1

#### PROMOTION AND DISSEMINATION OF SYSTEMS AND TECHNOLOGIES FOR EFFICIENT MANAGEMENT OF WATER, ENERGY, AND ALL RESOURCES

with particular attention to agriculture and groundskeeping, for socio-economic development and environmental sustainability in Italy, abroad, and in developing countries.

2

#### **INNOVATION**

through research and development of products, solutions and production processes for a gradual evolution of its business model towards an economy with zero greenhouse gas emissions, with particular attention to the efficient use of raw materials and energy.

3

#### SUSTAINABLE SUPPLY CHAIN DEVELOPMENT

acting as a model and enhancing cooperation with and listening to our clients and suppliers, collaborators and institutions in the pursuit of shared principles and objectives for the benefit of the communities and territories in which we operate.

4

#### **ENHANCING HUMAN RESOURCES**

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

#### **RELEVANT TOPICS**

(GRI 102-13, 102-40,102-42,102-43,102-44,102-47, 103-1,205-1)

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

#### **ENVIRONMENT**

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











#### **BUSINESS AND PRODUCTION QUALITY**

- · centrality 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
- · Made in Italy quality ambassadors in the world









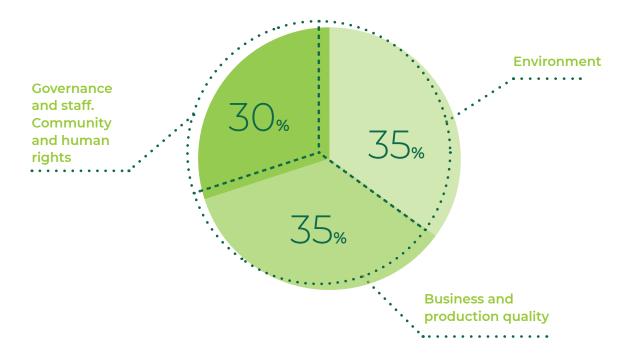


With the first identification of the relevant topics a new path of stakeholder inclusion was initiated that will be completed in 2021.

The list of relevant topics shows that Irritec follows a business model strongly integrated with the environment, as shown in figure 1.

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% (35%+35%).



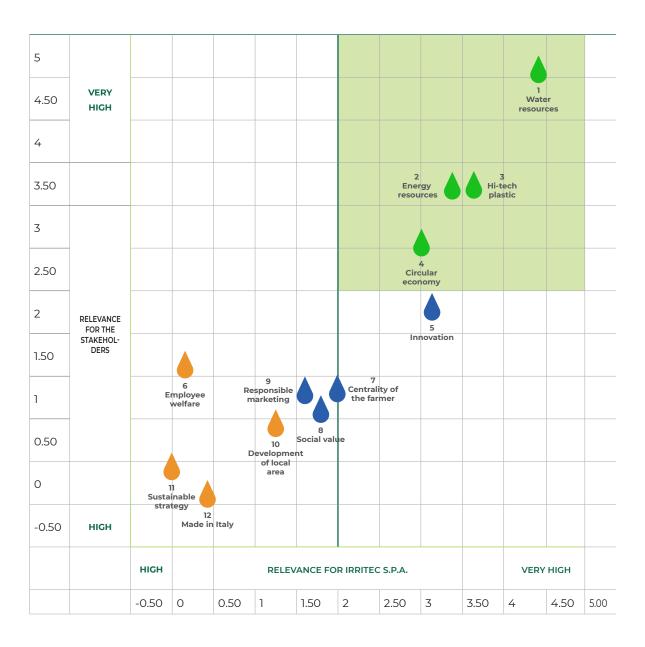




<sup>&</sup>lt;sup>4</sup>The integration of the relevant topics into Irritec's industrial model was determined based on a linear methodology adopted by Irritec for the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures and the first time of the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures are the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures are the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures are the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures are the first time. After identifying a list of topics relevant to the company, a small select group of Irritec internal figures are the first time. After identifying a list of topics relevant to the company are the first time of the first time. After identifying a list of topics relevant to the company are the first time of the first time of the first time of the first time. After identifying a list of the first time of the firstwere 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.

#### **MATERIALITY ANALYSIS**

Following a materiality analysis and assessment, the relevant issues were identified that reflect the social and environmental impacts of the Irritec group's activities and that influence the decisions of its stakeholders. During 2021 Irritec drew up the materiality matrix, based on the assessments expressed by its stakeholders in response to the online questionnaire, in which they were asked to assign the relevance of the individual issues on a scale **of 1 to 5**. The analysis revealed substantial alignment between the company and its stakeholders in considering environmental issues as a priority.





#### STAKEHOLDER ENGAGEMENT

The sector in which we operate is essential for the subsistence and economy of the territory. Through the efficient use of irrigation water it is possible to ensure a qualitative and quantitative increase in agricultural production. As part of the transition to a sustainable economy, it is necessary to interact with institutions and trade associations to offer the most suitable technological support for local development. In 2021 we participated in various discussion workshops and provided our contribution to development through research projects and training workshops.

stakeholders	stakeholder expectations	modes of involvement	involvement activities 2021
Institutions, associations and organisations: European Union, Governments, Regulatory bodies, Public Administration, Manufacturers' associations (irrigation, plastics)	Technology support, experience with the development of agriculture and sustainable cities according to a model that meets the needs of the territory and complies with local regulations.	Meetings and conferences, working groups, project planning	Participation in the 35th EDITION OF THE ICE REPORT AND THE 2021 ISTAT-ICE ANNUAL REPORT and the 2021 Istat - ICE Statistical Annual Report on "Foreign trade and international business activities". The Workshop "Water Security and Food Security Nexus: the Challenge of Climate Change", is a COP26 initiative organised by the WATER ACADEMY SRD Foundation and the Italian branch of CIHEAM in Bari, in partnership with Irritec S.p.A Carmelo Giuffrè, one of the members of UniCredit's Sicily Territorial Advisory Board. Giulia Giuffrè is on the board of directors of Confapi Sicilia with responsibility for Equal Opportunities.
Shareholders	Value creation, governance and risk management, clear and timely communication of performance and results.	Meetings, committees, periodic reporting.	Shareholders' Meeting, meetings to share results, progress and objectives. Constant communication about the group's activities.
Financial community	Value creation, governance and risk management, clear and timely communication of economic-financial performance.	Meetings, press releases, periodic reporting	Participation in meetings and conferences by the CFO and/or management, press releases, reports, participation in the Unicredit territorial advisory board and the Iccrea sustainability committee.
People and trade union organisations, Employees, other workers, trade unions.	Safe work environment. Equitable and merit-based treatment. Opportunities for professional growth. Inclusion in the company's social initiatives. Adequate working hours and pay.	Training courses, internal communication, events for discussion, sharing and socialisation	Training courses, including online, internal communication (WhatsApp company chat, newsletters, our house organ Irritec Family), and timely updating of operational and safety procedures, with particular attention to the performance bonus, employee welfare, and measures to combat the Covid-19 pandemic. Irritec supports Confapi Sicilia in the "Glibera" project: standing with women against inequality and violence.
Local communities and cultural and religious associations, the Health System, municipalities close to production plants and to the countries where it disseminates its technologies	Support for initiatives dedicated to the sustainability of the territory, contributions to economic and social well-being, care for public parks and technology for environmental protection.	Meetings and support for initiatives aimed at the protection and progress of the territory from an economic, environmental, health and social point of view	At the RadicePura Garden Festival, which takes place in Giarre, Irritec has made possible the creation of the "Micro to Macro" installation, a garden that follows and recounts the evolution of plants. Support for cinema (Salina Doc Fest), for sport (basketball: Costa d'Orlando Academy, Torrenova sports association; cycling: Youth Team Nibali Project, Nebrodi Triathlon), initiatives dedicated to healthcare (Telethon donations, Red Cross ambulance, Minibus for the disabled, and the Federico Amato Memorial: a day dedicated to blood donation, Pavia Cancer Hospital) and the Covid emergency (Covid-19 Vaccination Centre Project), "Gocce di festa": shopping vouchers. Donation of the irrigation system to the Civic Committee of Molise 5 (for the return of assets confiscated from the Mafia to the citizens).
Future Generations School and University.	Collaboration for training and research activities, synergies for the development of the territory and technology.	Internships, research projects, projects for the promotion of environmental and social sustainability, meetings and conferences.	Conference at the University of Messina Department of Economics – Irritec participates in the event "The sustainability of the Sicilian wine chain" organised by the SOStain Foundation. Curricular internships: 3 curricular internships in the marketing, promotion and agronomic consultancy departments, as well as in selection and training. The hi-tech prototype for the reuse of wastewater developed by Enea and the University of Bologna, in collaboration with the Hera Group and Irritec as part of the Value Ce-In project, an industrial research initiative to enhance the entire treatment chain of waste water, with a view to circular economy and industrial symbiosis.
Media	Transparent and timely information on investments, strategy and results on CSR, financial and international development issues	Press releases, social networks	Direct or indirect relations (through the PR agency) for communication in the news with particular reference to investments, goals and projects.
Suppliers	Compliance with laws, combating corruption, continuity, sharing of best practices	Request for adherence to the company's ethical principles through the Code of Ethics	Model 231, transparency and sharing of strategies and objectives, dedicated meetings, request for adherence to the company's ethical principles through the dissemination of the company Code of Ethics.
Partners: NGOs, Research Institutes and Bodies, Associations of Agronomists and Farmers	Common development goals based on shared values and strategies.	Projects and meetings	"Launch of Agri-Lab Senegal in collaboration with AICS (partners Tropicasem and Acra Onlus). SFIDA research project "Development of a Smart Fertigator for Bio-Fortified Agricultural Production" (Partner: A.Bio.Med Soc.coop. Agr. r.l., and in collaboration with UNICT, UNIROMA2 and Wageningen University); Water4Agrifood project "Improvement of Mediterranean agri-food production in conditions of lack of water resources" (Partner: CREA, UNICT, CER, TECNO.EL S.r.l., Agronica Group S.r.l., ISEA S.r.l., SUEZ S.p.A., CNIT, POLYEUR S.r.l., Bonifiche Ferraresi S.p.A. Soc. Agr., Planeta S.r.l.); AMELIE project "Advanced framework for Manufacturing Engineering and product Lifecycle Enhancement." (Partner: Consorzio ARCA, Arancia-Ict S.r.l., Meridionale Impianti Spa, UNICT, UNIPA, and UNIME, P.M.F. S.R.L., SDI Soluzioni d'impresa S.r.l., Sormec S.r.l., Xenia Progetti S.r.l., Engineering Ingegneria Informatica S.p.A., CNR Dip. DIITET, Amaru' Giovanni S.r.l., Asot Industrial S.r.l.). Projects of the Sicily Rural Development Programme (PSR) 2014-2020, "INNOMAN" for the supply chain of tropical fruits, "VITINNOVA" for grapes and "CITRUSNNOVA" for citrus.
Customers: Resellers and Farmers	Product efficiency, quality and reliability, sharing of objectives and information on the sustainability of the solutions offered and the industrial model.	Analysis of needs and objectives, sharing of the results	Training (Irritec Academy: training and post-training study), questionnaires (Handywater survey in collaboration with academic bodies dedicated to agricultural companies/institutional bodies; Net Promote score survey dedicated to retailers), fairs, meetings, communication (newsletters, press releases, social network). About 20 seminars organised, including webinars and live meetings, e.g.: Irritec's presentation "Irrigation management for organic corn" at a Conference on "Technical lines, innovation and the organic corn market in Italy".

#### **RISK MANAGEMENT**

This section contains the summary of the main non-financial risks identified and managed by Irritec S.p.A

The risk management system implemented by Irritec S.p.A. is part of a "control framework" which takes into consideration the Organisation and Management Model drawn up pursuant to Italian Legislative Decree 231/2001, as well as the Anti-corruption, Whistleblowing, Purchasing and Supplier Qualification procedures, the system of delegations and powers of attorney, the company organisational chart and job descriptions.

In particular, the company has carried out:

- the identification of risk areas;
- the timely identification of activities at risk based on the organisation of the individual functions;
- identification of the managers of the related Business Processes that are involved and the management strategies implemented;
- the identification and implementation of procedures and policies defined to mitigate the associated risks.

**The results of the analysis are summarised below**, showing the processes involved, the policies and procedures present and the management strategies adopted:

Decree 254/2016, which established the Non-Financial Statement, followed the indications of the European Directive in identifying the minimum contents that should be reported in the NFS: they are issues relating to the business model adopted, company activities implemented, the main indicators of non-financial and management risks generated or suffered by the company.

In particular, Article 3 of the law in question provides that "the individual non-financial statement, to the extent necessary to ensure understanding of the business activity, its performance, its results and the impact produced by it, covers environmental, social and personnel issues, respect for human rights, and efforts to combat active and passive corruption which are relevant taking into account the activities and characteristics of the company, describing at least:

- a) the business model for the management and organisation of the company's activities, including any organisation and management models adopted pursuant to Article 6, paragraph 1, letter a), of Italian Legislative Decree 8 June 2001, no. 231, also with reference to the management of the aforementioned issues;
- b) the policies practised by the company, including those of due diligence, the results achieved through them and related key non-financial performance indicators;
- c) the main risks, generated or suffered, related to the aforementioned issues and arising from the company's activities, its products, services or commercial relationships, including, where relevant, supply chains and subcontracting."

Topics of Italian Leg. Decree 254/2016	Areas	Risks	Tools
	Environmental regulation	Risk of pollution and environmental destruction	The company has adopted an environmental management system compliant with ISO 14001:15 and certified by an accredited Certification Body. Furthermore, it periodically carries out internal and external environmental audits in order to maintain the best level of corporate compliance
	Waste management	Risk of pollution and environmental destruction	The company promotes and encourages a policy of waste reduction through: - differentiation implemented at all levels and in all departments - proper management of production waste to allow its immediate reuse - delivery to recycling
	Management of atmospheric emissions		The company carries out annual checks of the reference parameters established in the AUA. The company is equipped with a preventive maintenance system for the emission chimneys in order to ensure the efficiency of the systems
	Management of acoustic impact		The company carries out an acoustic impact assessment with a qualified technician every three years
	Wastewater management		The company carries out annual checks of the reference parameters established in the AUA. The company is equipped with a preventive maintenance system of the abatement/filtration systems in order to ensure the efficiency of the systems

Topics of Italian Leg. Decree 254/2016	Areas	Risks	Tools
Environmental			
	Management of energy consumption		The company manages energy consumption through:  - appointment of an energy manager  - daily check of solar panel production  - detection of energy consumption with special meters installed in each extrusion machine  - Monthly reading of the PODs  - Energy cost monitoring for variable price PODs  - Energy diagnosis every four years  - Annual communication of energy consumption to the Customs Agency
	Workplace health and safety regulations		The company has formalised a management procedure for the collection of information relating not only to injuries but also to accidents and near misses. The systematic gathering of this information makes it possible to analyse potential risks regardless of the effects they have generated, by reducing or eliminating the possibility that events with more serious consequences may occur in the future
	Workplace safety management		The company has chosen to adopt a health and safety management system compliant with ISO 45001:18. Furthermore, it periodically carries out internal and external audits in order to maintain the best level of corporate compliance
	Choice of PPE		As a result of the residual risk assessment the company has formalised a management procedure to determine the functional and technical characteristics of the Personal Protective Equipment to be provided to the staff of the various company departments
	Making PPE available		The company has arranged for the provision of automatic 24-hour vending machines in each production or logistics site, to allow the continuous and widespread distribution of PPE to staff when it is needed
	Management of injuries, accidents and near misses		The company has formalised a management procedure for the collection of information relating not only to injuries but also to accidents and near misses. The systematic gathering of this information makes it possible to analyse potential risks regardless of the effects they have generated, by reducing or eliminating the possibility that events with more serious consequences may occur in the future
Social			
	Search and selection of human resources	Violation of the principle of equal opportunities	The company has adopted procedures and processes to ensure that equal opportunities, understood as a gender issue, but also those of a generational nature, are constantly respected in the search and selection processes for human resources. Furthermore, the Irritec Code of Ethics provides for specific guidelines of conduct which all company personnel must comply with
Management of personnel and Human Rights	Personnel administration	Hiring and maintaining undeclared work and/or hiring foreign personnel without a regular residence permit	The company has adopted procedures and process aimed at minimising the risk:  - of hiring employees in a manner contrary to the provisions of the law;  - of employing foreign workers without a regular residence permit.  Within the OMM 231/2001, not only the areas at risk of offence were identified but also the activities at risk, with a detailed analysis of the actors involved.  The company also has a specific Recruitment Management Guideline which governs the actions, activities and safeguards to be respected
	Violation of individual rights in general	Some areas in which Irritec operates present an average risk of violation of human rights (child labour, forced labour, individual rights in general)	The Irritec Code of Ethics provides for specific guidelines of conduct which all company personnel must comply with, in particular Irritec staff both in Italy and abroad
Combating active and passive corruption, regulatory compliance and related aspects	Episodes of corruption in company processes and activities	The company operates in areas with a medium risk of corruption, and in countries with a medium/high risk of corruption. This risk mainly relates to corruption between private individuals	Within the OMM 231/2001, not only the areas at risk of crime were identified but also the activities at risk, with a detailed analysis of the actors involved  The company also has a specific Anti-corruption Management Guideline with governs the actions, activities and safeguards to be respected





# 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, promote sustainable agriculture

According to FAO estimates, in 2050 the world population will exceed 9 billion, with a consequent increase in daily food needs.

Particularly in food-deficit developing countries, efficient irrigation technologies are of vital importance for rural economies. In these contexts, Irritec experts contribute to the development of local professionals 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 **526,743 hectares** of sustainable irrigation thanks to Irritec solutions **(4%** of

the world's micro-irrigated area) which have allowed savings of:

- · 1,164,190,648 M3 of water
- · 85,226,899 kW of electric energy

Even within its own production organisation, Irritec is committed to sustainable water management, in line with its main objectives.



# AFFORDABLE AND CLEAN ENERGY

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

The energy savings obtained thanks to the installation in 2021 of Irritec irrigation systems in the world on a total area of 526,743 hectares was 85,226,899 kW.

Irritec adopts a responsible system of energy management which includes the

use of solar panels and more generally energy from renewable sources.

Thanks also to the updating of production machinery, from 2017 to 2021 it reduced its consumption of energy from non-renewable sources by 16%.



# DECENT WORK AND ECONOMIC GROWTH

# Promote sustained, inclusive and sustainable economic growth, full and productive employment and a decent job 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.** 

The company also works to maintain a permanent employee turnover greater than 1 (group figure for 2021: 1.4).

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 2021 Irritec supported 3,862 resellers, of which:

20% consists of new customers

92% are loyal customers, having confirmed orders in the three-year period 2019-2021

64% increased their Irritec purchases in 2021.

In 2021, the generated value of the Irritec group was 231,271,000 euro, of which 25% is created in the domestic market and the remaining part (75%) in the world market.



# RESPONSIBLE CONSUMPTION AND PRODUCTION

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 2021, the actions implemented by Irritec produced the following results:

- The Green Fields project has reached 625 participants.
- Adoption of 15 certifications, 11 of which are product, 1 quality, 1 environmental, 1 safety, and 1 customs.
- 70% of the cardboard packaging used is made with recycled material



#### **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 system for calculating **Carbon Footprint**.

In 2021, the actions implemented by Irritec produced the following results:

- savings of 85,226,899 kW of energy created by Irritec projects, products and technologies around the world
- 635,515 tons of CO<sub>2</sub> emissions avoided thanks to the installation of Irritec systems around the world
- thanks to research and development activities, the raw materials used by the Irritec group in production are 26.1% recycled, resulting in a reduction in the carbon footprint of 18,604 tons of CO,
- •thanks to the collaboration of farmers, Irritec's Green Fields programme contributes to the collection of plastic material from the field and to its proper disposal and recycling.



### 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
- · theaverage accident rate of the last six years is lower than the national average.



### **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 47%. 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 companies" 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 in the risk system.



## 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 the
  benefits in full respect of the environment, establishing a positive relationship both
  among the members of Irritec's internal staff and between them and the 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 (flood or furrow), 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-spraying 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 irrigation and fertigation.



### POSITIVE IMPACTS ON THE ENVIRONMENT GENERATED BY THE SUSTAINABLE IRRIGATION OF IRRITEC IN THE 2021 FINANCIAL YEAR: WATER AND ENERGY SAVINGS IN THE WORLD

### (GRI 303-3)

Thanks to Irritec group projects, products and technologies, 526,743 hectares of sustainable irrigation have been created worldwide, corresponding to 1,164,190,648 M3 of water saved, 85,226,899 kW of energy saved, 101,293 tons of fertilisers saved and 635,515 tons of emissions of  $Co_2$  avoided (due to the saving of energy and fertilisers).

Table 3 shows the hectares of sustainable irrigation, water and energy saving volumes achieved thanks to Irritec, the tons of fertiliser and the tons of  $Co_2$  emissions avoided, broken down by area.

Table 3: Hectares of sustainable irrigation, volumes of water and energy savings achieved in 2021 thanks to Irritec solutions

	Italy	Foreign total	Global total
Hectares of sustainable irrigation	70,881	455,861	526,743
m3 saved	173,618,889	990,571,759	1,164,190,648
kW saved	13,884,230	71,342,669	85,226,899
Tons of fertiliser saved	12,885	88,408	101,293
Tons CO <sub>2</sub> saved*	90,625	544,890	635,515

<sup>\*</sup>derived from energy and fertiliser savings

Overall, Irritec also generated an average production increase of 38%, a reduction in fertiliser consumption of 20% and an optimisation of the workforce resulting in a 37% reduction of hours dedicated to manual labour.

These results have been achieved thanks to Irritec's products, solutions and technology. The 526,743 hectares of sustainable irrigation correspond to 4% of the world's localised irrigation area (micro-irrigation)<sup>5</sup>. 120,809 hectares were irrigated in 2021 with products distributed by the parent company alone. For 2022 Irritec S.p.A. aims to achieve 130,000 hectares of sustainable irrigation, which will save at least 287,000,000 M3 of water; 25,000,000 Kw of energy; 22,000 tons of fertiliser; and 152,000 tons of Co<sub>2</sub>.

<sup>5</sup> Localized irrigation worldwide: 14.5 million HA (AQUASTAT, FAO database on global water resources, indicates 9 million HA in 2016, http://www.fao.org/nr/aquastat). A CAGR of + 10% is considered through 2021 - Micro-irrigation Systems Market Share - Global Forecast Report 2024 (gminsights.com.)

### 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, 303-3)

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 group water consumption from aqueduct.

Table 4: Irritec group water consumption from aqueduct

Source	2021 (M3)	
Aqueduct	18,785	



## 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:

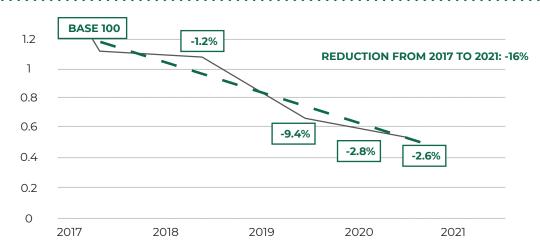
- · performance of energy audits
- · development and implementation of energy saving strategies
- · improvement projects

Energy audits allow Irritec's Energy Manager to better identify the areas in which energy consumption can be reduced or optimised by 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 2017 we began a process of replacing 18% of the hydraulic moulding presses with fully electric machines whose energy consumption is one third compared to that of the hydraulic moulding presses. The new machines require less water and industrial oil, and offer an improvement in energy efficiency in terms of consumption of kWh/kg produced. The continuous efficiency work led to updating the lighting system, presses and refrigerators in 2021. For 2022, the parent company's goal is to revamp the photovoltaic systems of some of its plants.

Graph 1: Change in the intensity index of energy consumption from non-renewable sources Irritec S.p.A. 2017-2021.



The intensity index of energy consumption from non-renewable sources is derived from the ratio of the amount of electricity purchased in kWh per kg of product (kWh/kg) excluding that from renewable sources. For 2022 the goal is to reduce the index by 10.6%, with an increase in supply from renewable sources and investments for revamping current photovoltaic systems. In 2021, the consumption of energy from renewable sources was 3.8% at the consolidated level, 2.1% for Irritec S.p.A.. The parent company is targeting 11.1% for 2022, also thanks to the increase in supply from renewable sources.

Table 5: Consumption of electricity 2021

Electricity consumption	Irritec S.p.A.	Group	Unit of measurement
Electricity purchased	97.9%	96.2%	kWh
Energy from renewable sources (including self-produced photovoltaic)	2.1%	3.8%	kWh
Total consumption	100%	100%	%

### CARBON FOOTPRINT

The issue of climate change caused by greenhouse gas emissions is increasingly topical and at the centre of attention in the scientific world and international institutions. The European Union has been proposing targeted interventions in order to mitigate GHG emissions for some time, sharing what the scientific community considers the strategic objective of containing the increase in atmospheric temperature.

In a path of growth and gradual approach to its objectives of monitoring and reducing greenhouse gas emissions (direct and indirect), Irritec is committed to the development of a multi-year project with the support of Spinlife - Spinoff of the University of Padua. This led to the first quantification of the Irritec S.p.A. Carbon Footprint in 2021 and extension of the project to foreign companies that are part of the group (Irritec Iberia, Irritec Mexico, Irritec USA, Irritec do Brazil and Irritec Chile) in 2022, following the ISO 14064-1 methodology and GHG Protocol.

The Greenhouse Gas Protocol, the model followed for the implementation of the inventory, is in line with the provisions of the Global Reporting Initiative (GRI) for the GRI 305-1, 305-2 and 305-3 indicators. Direct and indirect greenhouse gas emissions for the entire Irritec group are quantified in table (1).

For the purposes of GHG reporting, the estimation method was adopted using activity data and emission factors, considering all the main GHGs (i.e.  $CO_2$ , CH4, N2O, HFC, PFC, SF6 and other fluorinated gases) which were then translated into carbon dioxide equivalent ( $CO_2$ e) by means of the characterisation factors communicated by the IPCC (GWP100:2013), the most authoritative institution on the subject of climate change.

Table 6: Results of the quantification of Irritec group emissions for the year 20216

Scope	GHG emissions [tonsCO2e]
GRI 305-1 (Scope 1)	1,673
GRI 305-2 (Scope 2) – Location based <sup>7</sup>	17,550
GRI 305-3 (Scope 3)	234,976
Total	254,199

### **EMISSION INTENSITY RATES**

In accordance with the guidelines of GRI 305-4, Irritec reports the intensity rates according to Scope 1, 2 and 3.

The reference parameter for the calculation, in the case of Irritec, is the weight of the product sold (62,915 tons in 2021).

Table 7: Emission intensity 2021

CO <sub>2</sub> emission intensity rates	GHG emission [tonsCO <sub>2</sub> e]	Amount of product [tons] (B)	Intensity rate [tonsCO <sub>2</sub> e]
Emissions Scope 1	1,673	62,915	0.027
Emissions Scope 2 – Location based	17,550	62,915	0.279
Emissions Scope 3	234,976	62,915	3.735
Total emissions	254,199	62,915	4.040



<sup>&</sup>lt;sup>6</sup> Direct and indirect greenhouse gas emissions for the entire Irritec group were calculated according to the Greenhouse Gas Protocol. The following flows were considered in detail:

Scope 1: combustion of diesel fuel for heating and generators, combustion of fuels in owned vehicles, fugitive emissions of

Scope 2: production of electricity taken from the grid;

Scope 3: transportion for the supply of raw materials (granules), distribution of the finished product, indirect emissions associated with owned vehicles (including the supply of diesel and gasoline), indirect emissions from natural gas and diesel used directly by Irritec, the upstream and downstream phases of the production processes of electricity taken from the grid, production of raw materials (virgin and recycled granules), management and disposal of industrial waste and wastewater, energy consumption associated with the use of irrigation systems, and end-of-life of the irrigation systems.

Scope 1: combustion of diesel fuel for heating and generators, combustion of fuels in owned vehicles, fugitive emissions of refrigerant gases;

 $<sup>^{7}</sup>$  The GRI methodology envisages two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". The Location-based methodology considers the average intensity of GHG emissions of the grids on which energy consumption occurs, mainly using the data relating to the grid's average emission factor.

### CO<sub>2</sub> EMISSIONS AVOIDED

Two analyses are offered below on the potential greenhouse gas emissions avoided thanks to two virtuous practices implemented by Irritec, namely the production of renewable energy and the use of recycled raw materials to replace virgin ones, as well as the emissions avoided by the installation of irrigation systems with greater efficiency and automation.

### Renewable energy

The renewable energy used by Irritec in 2021 was generated by the use of photovoltaic systems.

The environmental benefits obtainable from the adoption of photovoltaic systems are proportional to the amount of energy produced, assuming that they replace energy otherwise supplied by conventional sources.

The emissions associated with the production of a kWh of electricity (considering Scope 2 and Scope 3) are equal to:  $0.577 \text{ kg CO}_2\text{e}$  for Italy,  $0.585 \text{ kg CO}_2\text{e}$  for Mexico and  $0.434 \text{ kg CO}_2\text{e}$  for the USA (location based scenarios).

The production of electricity from photovoltaics involves much lower emissions throughout the life cycle than energy taken from the grid (0.070 kg  $\rm CO_2e/kWh$ ). Consequently, it can be said that for each kWh produced, the difference in emissions between the national average mix and the photovoltaic average is avoided.

Irritec uses this method to calculate the amount of  ${\rm CO_2}$  emitted/caused by the electricity it purchases, and then calculates the amount that it "avoided" emitting through the use of photovoltaics.

Table 8: CO<sub>2</sub>emissions avoided through photovoltaic systems

Emissions avoided through photovoltaics	Amount of energy produced [kWh]	Emissions avoided per kWh [kgCO <sub>2</sub> e/kWh]	Total emissions avoided [tonCO <sub>2</sub> e]
Irritec S.p.A.	666,741	0.507	338
Irritec Mexico	275,782	0.515	142
Irritec USA	775,027	0.364	282
Total	1,717,550	-	763

### System use phase

Starting from the calculation of the hectares on which Irritec plants are installed and the corresponding savings in energy and fertilisers (see "THE METHODOLOGY OF CALCULATING IRRITEC'S HECTARES OF SUSTAINABLE IRRIGATION", page 43),  $CO_2$  emissions avoided thanks to the use of these systems were quantified:

Table 9: CO<sub>2</sub>emissions avoided through the installation of drip irrigation systems

Reference year	Emissions avoided - Energy [tonCO <sub>2</sub> e]	Emissions avoided - Fertilisers [tonCO <sub>2</sub> e]	Total emissions avoided - System use phase [tonCO <sub>2</sub> e]
2021	35,043	541,165	576.208ww

### Recycled raw materials

The Irritec group's use of recycled raw material (26.1% of the total raw material used) contributed to avoiding 18,604 tons of CO<sub>2</sub> emissions.

The  $CO_2$  emissions avoided by Irritec in 2021 are equivalent to the emissions absorbed by approximately 60 million trees in a year<sup>8</sup>

Irritec is one of the founding partners of the  $"CO_2$ alition for Europe", the initiative launched in 2022 by Italian companies that choose to be leaders in change by integrating the purpose of climate neutrality within their Articles of Association.



 $<sup>^8</sup>$  The UNFCCC - United Nations Framework Convention on Climate Change - states that a tree can absorb an average of around 10 kg of CO<sub>2</sub>per year. We can therefore assume that a tree absorbs 10 kg of CO<sub>2</sub> per year and that the average lifespan of a tree is 20 years. Consequently in twenty years a tree ends up absorbing 200 kg of CO<sub>2</sub>.

The emissions avoided through photovoltaic energy and the use of regenerated plastics, as previously calculated, result in a total reduction of about 19,367 tons  $CO_2$ e. This amount could be absorbed by 1.9 million trees in one year or by 96,835 trees in 20 years.

By extending this assessment also to the  $CO_2$ e savings associated with the use phase of the plants, the emissions avoided are equal to the emissions absorbed by about 60 million trees in a year or nearly 300,000 trees in 20 years.

### 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 multiseasonal 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  ${\rm CO_2}$  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 (Table 10below), 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 proper 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.

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

Irritec has integrated recycling activity within its Mexico factories to allow better utilisation of the recycled materials, in compliance with local regulations.

Thanks to the dissemination of the initiative from 2015 to 2021, the Green Fields project has reached a total of 625 members between Italy and Mexico.

For 2022, Irritec S.p.A. has set the goal of adding 120 new members in Italy.

**GREEN FIELDS** 

625 total number member farmers



### 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.



In 2021, recycled raw material represented 26% of the total used by the Irritec group

Table 10: Raw materials in Irritec production 2021

76.6%	73.9%
23.4%	26.1%
100%	100%
	23.4%

Irritec S.p.A. aims to increase its use of recycled raw material to 26% in 2022, thus bringing the group's percentage close to 30%. This is one of the KPIs related to the sustainable minibond undersigned by Unicredit, issued by Irritec in January 2022.

Table 11: Irritec group waste 2021

Waste	%
Quantity per kg of production	0.7%
Percentage recoverable	93.2%

As shown in table 11, 93.2% of the waste generated by the Irritec group (representing 0.7% of the quantity produced) is recoverable according to local regulations.





**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)

Particularly in developing countries, Irritec's staff and the projects they carry 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 the practices and experiences of sustainable irrigation at the corporate, educational and institutional levels. The 2022 target for Irritec S.p.A. is to involve at least 500 participants in the agricultural sector.

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.
- **support for university students**who include Irritec as a case study in their theses, research and analyses.



In 2021 Irritec launched "Agrilab Senegal" in collaboration with AICS

### **INITIATIVES IMPLEMENTED**

(GRI 413-1)

In addition to its increasing engagement in training through Irritec Academy and growing attention to the dissemination of sustainable irrigation even in low-income countries, Irritec's commitment can also be seen in its support of social initiatives in different arenas promoted by third parties for the benefit of the community and the territory.

### ENHANCEMENT AND PROTECTION OF VEGETATION

Irritec is active in the protection and enhancement of urban green areas, as demonstrated by its various projects throughout Italy. After having worked as the exclusive contractor for the design and construction of the drip irrigation system for the Biodiversity Park within EXPO 2015, that same year Irritec sponsored and actively participated in the Green City project promoted by the municipality of Milan, working on the design and supply of the irrigation system for the Lea Garofalo garden. Furthermore, since 2016 Irritec has been taking care of public green areas; in particular, it redeveloped and cared for the flower beds in Piazza Scala in the city of Milan from 2016 to 2018, and since 2021 has assumed the care of the green areas of Piazza Tricolore and the magnolias of Piazza Duomo. Always a supporter of RadicePura Garden Festival, an international event dedicated to landscape architecture that takes place every two years in Giarre (Sicily), in 2021 Irritec participated in the creation of "Micro to Macro", a garden that follows and recounts the evolution of plants.

## AND CULTURE: PROMOTION OF ITALIAN CINEMA

Active in the support of cultural events and promoter of Italian cinema, the company has contributed to the production of four films in Italian with prominent casts; Vino dentro, Basta poco, I Siciliani and, in 2020, Il silenzio perfetto, which relates images of Sicily during the lockdown. It has also sponsored the last five six editions of the Salina Doc Fest <sup>10</sup>by establishing the Irritec Sicilia. doc award and rewarding personalities who have distinguished themselves not only for their artistic qualities but also for their values and their commitment in the social sphere. In 2020, on the occasion of the 14th edition of the festival, the Irritec Sicilia.doc award was assigned to Jasmine Trinca, "because she represents an example of excellence in quality Italian cinema and for her sensitivity and commitment in the fight against gender inequality". In 2021 the Irritec award for the fifteenth edition of the Salina Doc Fest went to the actor and theatre director from Trapani, Gaspare Balsamo, because "with his performances he has skilfully renewed the tradition of myth, combining more traditional images with an innovative and current vision".





### **SPORT**

Irritec provides its contribution and support to promote and enhance sports, especially among youth. Irritec supports the Costa Academy project, which brings children aged five and up closer to the world of basketball. In cycling, Irritec supports the Nebrodi Thriatlon and the Team Nibali youth project, an initiative that involves over 200 young people in competitive competitions around Italy and in social inclusion projects for young people from families in difficulty.

### LABOUR AND SOCIETY: THE CONTRIBUTION TO GENDER EQUALITY

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

Irritec's social commitment over time has strengthened its new role as a group supporting the fight against violence against women. In this context, Irritec supports "6libera", the first digital watchdog against harassment and violence in the workplace, promoted by Confapi and aimed at encouraging the complaints of victims and interventions for the prevention of conduct that damages the human rights and dignity of working women.

Irritec has also become a sponsor of the Molise 5 Civic Committee, a group of citizens and associations that have come together with the aim of returning a property that has been confiscated from the Mafia to the citizens, donating the material necessary to create a drip irrigation system for the villa's garden. Irritec believes in promoting and valuing excellence, which is why in 2021 it donated a scholarship to "The champions", a Sicindustria project that rewards high school students who excel in the various fields of training.

### **HEALTH: THE CONTRIBUTION TO** WELL-BEING AND HEALTHCARE

Irritec supported the Covid-19 Vaccination Centre Project by contributing to the construction of a vaccination hub in Capo d'Orlando (Sicily).

It also joined the campaign promoted by the Italian Red Cross for the purchase of a resuscitation ambulance and a minibus for transporting the disabled, and organised the "Blood Donation" day which saw over 500 donations in one day.

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

### www.youtube.com/watch?v=7zEC6O0CUtI

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, it is a benchmark festival for documentaries, 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, www.salinadocfest.it

## AWARENESS-RAISING AND DISSEMINATION OF WATER SAVING CULTURE

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

Irritec has contributed to the project by donating residential irrigation kits to some of the country's schools, and explaining the benefits of drip irrigation and related water savings to teachers and children.



The initiative was also featured in the national media: milano.repubblica.it/cronaca/2020/08/30/news/orti\_didattici\_milano-265843188/

The first Slow Food garden was born in Berkley in the mid-1990s. In Italy the project has led to the construction of over 500 gardens with the involvement of over 46,000 participants, including children, parents and other beneficiaries.





### 2021 INITIATIVES.....



Purpose	Body	Activity - company	Social impact
Sustainable cities	Municipality of Milan	Piazza Duomo & Piazza Tricolore - Irritec SpA	
Training and awareness-raising	Irritec S.p.A., AICS	Agrilab - Irritec SpA	Almost 100 registrations collected for courses that begin in 2022
Training and awareness-raising	Fondazione Radicepura	Radice Pura Garden Festival - Irritec SpA	Irritec plays its part in supporting the Festival, which is located within a 5 hectare area of land that is home to over 3000 species of plants



## HEALTH AND WELL-BEING .....

Purpose	Body	company	Social impact
Healthcare and social assistance	Municipality of Capo d'Orlando	Covid-19 Vaccination Centre Project - Irritec SpA	A 300 square meter hub with up to 9 workstations, which were structured to deliver up to 800 vaccines per day during the service period. It entered service in May 2021 until the end of the state of emergency
Healthcare and social assistance	Local Community	Gocce di Festa - Irritec SpA	100 vouchers were distributed in the Capo D'Orlando area to support local families in difficulty
Healthcare and social assistance	Telethon	Donation Telethon - Irritec SpA	
Healthcare and social assistance	Red Cross of the Nebrodi Community "Help those who Help project"	Red Cross Ambulance - Irritec SpA	2 new latest generation vehicles donated to the Italian RC directly in the Nebrodi area where they were most needed. Irritec contributed along with other companies and private donors
Healthcare and social assistance	Project Guaranteed Mobility	Minibus for the disabled - Irritec SpA	
Healthcare and social assistance	AVIS Gioiosa Marea	Memorial Federico Amato - Irritec SpA	500 donations in one day
Healthcare and social assistance	Irritec do Brasil	Flu vaccines for employees - Irritec do Brasil	
Prevention	Pavia Tumor Association	Pavia Hospital Fight Against Cancer - Irritec SpA	1,500 hours support to the hospital



## ART AND CULTURE .....

Purpose	Body	Activity - company	Social impact
Cinema	Fondazione Salina DOC Fest	Salina DOC Fest - Irritec SpA	1500 films registered from 12 countries around the world
Dance	Valley Performing Arts Council - Irritec USA	Valley Performing Arts Council - Irritec USA	



Purpose	Body	Activity - company	Social impact
Baseball	Baseball Sporting event	Fresno Grizzlies Baseball Club - Irritec USA	
Basketball	Costa Academy	Costa d'Orlando Academy - Irritec SpA	Over 1,000 hours of sports training for students and trainees
Basketball	Torrenova sporting association	B2 Sports Season - Irritec SpA	
Cycling	Team Nibali Messina	Young Team Nibali Project - Irritec SpA	more than 200 youth involved
Cycling	Demetrio Falcone	Nebrodi Triathlon Project - Irritec SpA	



## WORK AND SOCIETY

Purpose	Body	Activity - company	Social impact
Healthcare and social assistance	Uniradio/Invasora Obregón	Santa Claus por Carta 2021 - Irritec Mexico	
Diversity & Inclusion	Confapi Sicilia	6libera - Irritec SpA	
Diversity & Inclusion	Jacobs Ladder	Equine Therapy - Irritec USA	
Training and awareness-raising	Sicindustria	Champions of school - Scholarships - Irritec SpA	61 scholarships granted nationwide, 1 "Irritec" to a student at "Garibaldi/Da Vinci" State Agricultural Technical Secondary School
Training and awareness-raising	Molise Civic Committee	Molise 5 Committee - Irritec SpA	
Training and awareness-raising	Faith Christian Academy, Legacy Christian Church, 2nd Harvest, Irritec Food Drive	Charitable Donation - Irritec USA	





**CHAPTER 4** 

## HUMAN RESOURCES

## MANAGEMENT OF HUMAN RESOURCES AND WELFARE

(GRI 102-41,401-1,401-2)

The Irritec team includes **over 900 people** from different countries and backgrounds, all working towards a common goal: to disseminate efficient irrigation technology around the world. As stated in the first section of the company's Code of Ethics, the company rejects any type of discrimination, corruption, forced labour or child labour. 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 within the scope of their functions and responsibilities, without distinction or exception, must comply with the principles and contents of the Code of Ethics, 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, integrity, collaboration, loyalty and mutual respect. All levels of the organisation are aware 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 where their skills, talents and potential are appreciated and developed.



To allow management to better monitor staff activity and their level of satisfaction, 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 relief 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.

Recurring cultural events between the members of the different offices are held through remote visits 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 921 employees around the world, Irritec has increased its staff by 12% compared to 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.

The following table shows the turnover of permanent employees of the Irritec group. For 2022 Irritec S.p.A. aims to ensure a ratio between income and expenditure of permanent contracts greater than 1.

Table 12: Group permanent employee turnover 2021

Incoming/Outgoing Employees permanent	Irritec S.p.A.	Group
Incoming	73	222
Outgoing	70	155
Turnover	1.04	1.4



Table 13: Breakdown of staff by level of education 2021

Level of education	% of employees 2021"		
Degree	32%		
High School diploma	42%		
Middle School diploma	20%		
Elementary School diploma	6%		
Total	100%		

### **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, at the headquarters as well as in each branch office.

## 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 14: Total hours of training by area in the Irritec group - year 2021

Training hours by area	2020	2021
Mandatory (e.g. Safety)	6,482	5,346
Non-mandatory (both professional training and general) - management, languages, etc.	1,489	2,500

The investment in employee training represents one of the improvement objectives to be shared in the stakeholder engagement activity to be undertaken during 2022. In particular, the parent company aims to increase the annual number of hours of non-mandatory training per employee, reaching an average of at least 7 hours per employee in 2022 and 9 hours in 2023. This is one of the KPIs related to the sustainable minibond undersigned by Unicredit, issued by Irritec in January 2022.

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

In addition to providing information to all employees, the safety courses were also intended for the training of forklift operators, first aid workers, fire emergency workers, ASPP-RSPP (Prevention and Protection Service Managers and Staff) and crane operators.



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)

The proportion of women on the Irritec S.pA. board is 33.3%.

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 (17.3% of the total number of employees in the group) tend to apply exclusively for office positions (35.4% of office workers are women).

Table 18: Staff breakdown by role and gender 2021

	Irritec S.p.A.		Group	
Role	Women	Men	Women	Men
Executives	10.3%	89.7%	15.6%	84.4%
Managers	8.1%	91.9%	15.6%	84.4%
Office staff	33.8%	66.2%	35.4%	64.6%
Plant staff	0.0%	100.0%	6.4%	93.6%
Women/Men compared to the total	9.7%	90.3%	17.3%	82.7%



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.

The parent company 's goal for 2022 is to reach a percentage of at least 10.3% of women in the company, with the aim of increasing this share year by year. This has a particular value in Sicily, where the percentage of women who have a job is 30% (Source: Coldiretti on Unioncamere 2018).

Table 16: Breakdown by role and gender 2021

Type of contract	% women	% men	% full-time/part-time
Full-time	96%	99%	99%
Part-time	4%	1%	1%
Total	100%	100%	100%

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.

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".



### INTERNAL COMMUNICATION

Internal communication at Irritec has always been an important factor in facilitating the natural flow of information and relationships, with the goal of continuing to increase the climate of transparency, collaboration and general well-being.

### Irritec Family - the Irritec House Organ distributed along with the monthly paycheck.

In recent years internal communication has become increasingly "digitalised". It was decided to focus on several tools that allow internal communication and the sharing of company news within Irritec, such as the House Organ, which is sent every month along with the paycheck to all employees. Topics covered include corporate life, cultural and social activities and a reading column that has become an opportunity for discussion and exchange of views between colleagues.

An example of an issue dedicated to sustainability:



#### Irritec News and company totems

Internal communication campaign through a WhatsApp broadcast channel dedicated to Irritec employees.

The Irrinet news messaging service continues, mainly used for immediate service communications. The company is also equipped with video totems on which useful information scrolls to keep employees constantly informed about activities and initiatives.

An example of the message sent to employees on the occasion of Earth Day:



#### Newsletter

Another means of communication used is the internal circular.

The newsletters are always different and divided into topics with a focus on graphics and images, designed and built specially to involve employees and share the corporate identity and values with them. In this historic period in which physical distance has become the norm for many months, they have been an important sharing tool.







### SUSTAINABLE SUPPLY CHAIN

#### PURCHASING CONTEXT AND MANAGEMENT: THE RELATIONSHIP WITH SUPPLIERS

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

#### PROCUREMENT PRACTICES

For the company, suppliers represent a category of stakeholders that is strategic for 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 professional group, Irritec is committed to selecting 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:

- respect for human rights, workers and the environment;
- obligations regarding the protection of child labour and women;
- hygienic, health and safety conditions;
- trade union and employment rights of foreign workers;
- fight against and avoidance of undeclared work;
- correct and accurate fulfilment of remuneration, social security contribution, insurance and tax obligations;
- respect of the principles of legality, transparency and fairness in business;
- 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 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 engage in 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.



Table 17: Breakdown of group employees by contract type and gender 2021

Geographical origin	%
Local area	86
Rest of the world	14

With 1,172 suppliers handled globally, the Irritec group made purchases for the supply chain in 2021 for a total of  $\in$  185,981,000. In general, Irritec follows a policy of enhancing the territory and reducing the environmental impact. Where possible, it favours suppliers that are geographically closest, as shown in table no. 18

Table 18: Total group supply chain purchases by geographic area and amount

Supply chain purchases	2021	%
National	119,980,000	65%
Rest of the world	66,001,000	35%
otal	185,981,000	

# QUALITY IN THE PRODUCTION PROCESS AND CORPORATE CULTURE

#### RESEARCH AND DEVELOPMENT

The company's organisation includes a dedicated R&D department which implements 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 15 certifications obtained, of which 11 are for products, 1 for quality,

Ifor the environment, I for safety and I for customs. The company also makes research and development investments in the area of sustainability. In fact, Irritec is constantly focused on the innovation of products aimed at introducing increasingly efficient irrigation techniques, with particular attention to the environment and nature, and at exploiting the advantages of micro-irrigation in terms of water savings. Research and development activities are focused on innovation and the updating of 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**

	Brand	Standard / Regulation	Description	Body	Certificate no.
	CREO STRING	UNI EN ISO 9001:2015	Quality Management System	Kiwa	19303 - A
System	No. of the control of	UNI EN ISO 14001:2015	Environmental Management System	Kiwa	19303 - E
Syst	d Accesored	UNI EN ISO 45001:2018	Occupational Health and Safety Management System	Kiwa	19303 - I
	AEG	UE 952/2013	Authorised Economic Operator	Customs Agency and State Monopolies	IT AEOF 16 1155

	Country	Brand	Standard	Description	Body	Certificate no.
			UNI 9561:2006	Connecto <sup>™</sup> +Ultra	Kiwa	KIP-107560
		_	UNI 7990:2015	Irritec® BD Genlene® BD drinkable	Kiwa	KIP-107561 KIP-107562
		kiwa (UNI) IT-TD-Ki0410		Drip line Tandem® - Multibar™ C - Multibar™ C Rootguard	Kiwa	KIP-107564
	ITALY		UNI EN ISO 9261:2010	Drip lineD5™	Kiwa	KIP-107564
	UNI EN 12201-2:2013			Drip line Junior®	Kiwa	KIP-107564
			Drip line P1®	Kiwa	KIP-107564	
<u>5</u>		UNI EN 12201-2:2013	Irritec® - Genlene®	Kiwa	KIP-107557	
Product		<b>KQ</b> khwa Quality	ISO 8779:2010	Gpipe® BD	Kiwa	KIP-107563
	GERMANY	DVGW product	GW 335-B3:2011	Connecto <sup>™</sup> +Ultra	DVGW	DW-8616BT0102
	SOUTH AFRICA  SANS 14236:2003  SWITZERLAND  SVGW SSIGE  TPW 157	Connecto <sup>™</sup> +Ultra	SABS	8357/13262		
		Connecto <sup>™</sup> +Ultra	SVGW	1103-K 298		
	AUSTRALIA	WaterMark	AS/NZS 4129:2008	Connecto <sup>™</sup> +Ultra	SAI GLOBAL	WMKA21524
	UNITED KINGDOM	WRAS	BS 6920-1:2000	Connecto <sup>™</sup> +Ultra	WRAS	1712054

### CUSTOMER CONTEXT AND MANAGEMENT: CUSTOMER CENTRALITY

#### (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 goals, problems they have encountered and the 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 more than 100 countries. 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 in the area where Irritec offices are located. In particular, the 1,808 retail outlets in Italy make it possible to reach approximately 600,000 farms, thus covering **95**% of the **national** territory<sup>11</sup>.

<sup>&</sup>lt;sup>11</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)

New retailers in 2021 were equal to 14% of the total, a figure which confirms the continuous growth trend.

The loyalty that has characterised the relationship with Irritec over the years is highlighted by the fact that 92% of the group's retailers confirmed orders in the last three years 2019-2021 (82% for the parent company).

Irritec S.p.A. aims to achieve 85% in 2022. In addition, **64%** of the group's retailers (67% for Irritec S.p.A.) increased their Irritec purchases in 2021, demonstrating **Irritec's ability to generate ongoing value in the irrigation sector.** Irritec S.p.A. has set a goal of 50% for 2022.

Thanks to the **wide range** of products offered, **Irritec meets the needs** of its customers: in 2021, 63% of the group's retailers (90% for Irritec S.p.A.) purchased other components in addition to the key products that make up an irrigation system (drip lines and sprinklers)<sup>12</sup>. Irritec S.p.A. has set a goal of 91% for 2022.

 $<sup>^{12}</sup>$  The five product families that make up the irrigation systems were taken into account: driplines and sprinklers;  $\cdot$  pipes;  $\cdot$  fittings, valves and accessories;  $\cdot$  automation and fertigation;  $\cdot$  filters







# VALUE GENERATED AND DISTRIBUTED

# 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.



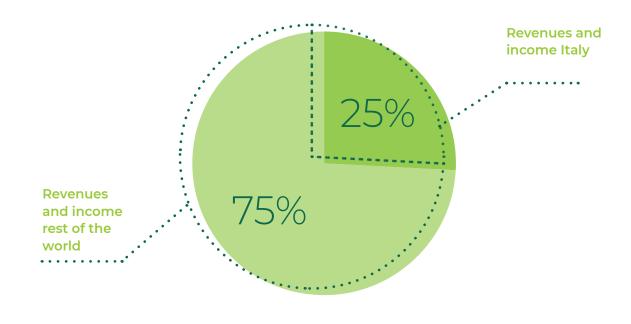
MAIN STAKEHOLDER CATEGORIES:

SUPPLIERS, EMPLOYEES, SHAREHOLDERS, PUBLIC ADMINISTRATION AND COMMUNITY

Table 19: Economic value generated by the Irritec group 2021

Economic value generated by the group in 2021	2021 € 000	%
Revenues and income in Italy	58,057	25%
Revenues and income rest of the world	173,222	75%
Total	231,279	100%

Figure 25: Economic value according to geographic breakdown 2021



As can be seen from figure 25, the economic value generated by the Irritec group in 2021 is 25% from Italy and 75% from the rest of the world.

#### RECIPIENTS OF THE VALUE DISTRIBUTED

Table 20 below shows the summary of the financial year 2021 and the different categories of stakeholders benefiting from the value generated by the Irritec group.

Table 20: Economic value distributed by the group to stakeholders in 2021

Economic value distributed by the group in 2021	2021 € 000	%
Supply chain suppliers	139,929	60%
Other suppliers	42,278	18%
Wages and salaries, contributions and severance pay	41,810	18%
Company welfare	-	0%
Shareholders	-	0%
Lenders	2,864	1%
Public administration and community	8,777	4%
Total	235,558	100%

The main part of the economic value distributed by Irritec is destined for 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.

Table 21: Economic value retained by the Irritec Group 2021

Economic value retained by the Irritec Group in 2021	2021 € 000	%
Depreciation	8,516	-218%
Other costs	-3,066	78%
Reserves**	-9,730	239%
Total	-4,279	100%

<sup>\*</sup>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**

Irritec's goal is to strengthen sustainability in its governance model, in particular through the evolution into a Benefit corporation. The inclusion of the aims of common benefit in the company's articles of association will help protect its mission and increase its commitment to pursuing sustainable development goals.

The company will also adopt financial solutions related to sustainability performance, setting ambitious, ESG-oriented objectives for itself in the environmental, social and governance spheres. Among these are increasing the use of recycled raw materials and offering training for its human resources.

Irritec also commits to incentivise the candidacies of women for employment in factories and will continue to invest in activities to support the health and well-being of its employees and the communities in the territories in which it operates.

On its path towards offsetting its carbon footprint, Irritec will strengthen the analysis and reporting of its CO2 emissions by undergoing an audit to obtain ISO 14064 certification.

With a firm belief in the value of cooperation between businesses and between businesses and institutions, Irritec will be an active participant in associations and projects for the promotion of innovative technologies and good corporate sustainability practices.



## IRRITEC S.P.A. 2021 IMPACT REPORT RESULTS AND 2022 TARGETS

# IRRITEC S.P.A. HAS THE FOLLOWING OBJECTIVES RELATING TO THE AIMS OF COMMON BENEFIT:

Promotion and dissemination of systems and technologies for efficient management of water, energy, and of every resource, with particular attention to agriculture and gardening, for economic and social development and environmental sustainability in Italy, abroad, and in developing countries.

		2021 Result	2022 Objective	Page
Increase in the number of hectares of sustainable irrigation, which will allow		120,809	130,000 hectares	43
	m³ of water saved	268,509,821	287,000,000 m³	43
	kW energy saved	22,543,529	25.000.000 Kw	43
	Tons of fertiliser reduced	20,595	22,000 tons	43
	CO² emissions avoided	144,890	155.000T	
Percentage of cust their purchases	comers who have increased	67%	50%	82
Percentage of loya	l customers	82%	58%	82
Customers who purchase other components in addition to the key product that makes up an irrigation system		90%	91%	82

Innovation through research and development of products, solutions and production processes is key to progressively shifting the business model towards an economy with zero climate-changing gas emissions, with a particular focus on the efficient use of raw materials and energy.

	2021 Result	2022 Objective	Page
Increase in the percentage of renewable energy consumed compared to the total	2.10%	11.10%	45
Increase in the percentage of recycled raw material compared to the total	23.40%	26%	52-53
Index of the reduction of the intensity of energy consumption from non-renewable sources	-2.6%	-10.6%	45

Developing a sustainable supply chain by acting as a model and enhancing cooperation and listening to customers, suppliers, partners and institutions in the pursuit of shared principles and aims, for the benefit of the communities and areas in which we operate.

	2021 Result	2022 Objective	Page
Number of teaching gardens built thanks to contributions from Irritec	n/a	10	n/a
Number of participants in seminars and meetings to promote sustainable irrigation	150	500	57
Number of new members of the "Green Fields" project.	78	120	51



Valuing human resources by creating ever more comfortable working conditions for staff well-being and satisfaction.

	2021 Result	2022 Objective	Page
Recruitment for resignations	ratio of 1.04	ratio of > 1	67
Increase the percentage of women in the company	9.7%	10.3%	70
Increase the average number of training hours for employees	0.91 hours	7 hours	69



# CERTIFICATIONS AND AWARDS

We have always adopted the highest quality standards, as attested by the 14 certifications obtained, with 11 relating to systems and three to products.

Furthermore, over the years we have obtained other important awards in different areas:



#### **INNOVATION**

- #Agrifuture 2020
- EIRS Innovative product prize 2019
- · MacFrut Innovation Award 2019



#### **SUSTAINABILITY**

- United Nations Global Compact ITALY SDG PIONEER 2020 and global SDG PIONEER 2021 for water management
- Best Performance Award 2018, SDA Bocconi
- Circular Economy, Symbola&Enel 2018





- Deloitte Best Managed Company Gold Winner 2018, 2019, 2020, 2021
- "Winning Companies" Award -Intesa San Paolo 2019
- Excellent Company Sales
   Excellence Award 2021, Fortia
- La Repubblica Affari e Finanza (Business and Finance)
   Publication Top Job 2019/2020





#### (GRI 102-55)

METHODOLOGICAL NOTE  Methodological note  Methodological note	GRI 102-18 Governance structure  GRI 102-46 Defining report content and topic boundaries  GRI 102-50 Reporting period	Qualitative  Qualitative	Description  Description
· ·	report content and topic boundaries GRI 102-50 Reporting period	Qualitative	Description
Methodological note	period		Description
		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
CHAPTER 1 IRRITEC 'S COMMITMENT TO THE ENVIRONMENT, IDENTITY AND VALUES			
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
ldentity 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			

GRI INDEX	GRI SPECIFIC INDEX	TYPE OF FORMULA	FORMULA
CHAPTER 2 ENVIRONMENT			
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 wa- ter 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
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
Circular Economy	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
Circular Economy	GRI 306-2 Waste by type and disposal method	Quantitative	Weight and Volume of waste disposed

GRI INDEX	GRI SPECIFIC INDEX	TYPE OF FORMULA	FORMULA
CHAPTER 3 COMMUNITY AND TERRITORY			
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 Activities 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 Activities with significant actual and potential negative impacts on local communities	Qualitative	Description
CHAPTER 4 STAFF RIGHTS			
Human resources management and welfare	GRI 401-1 New employee hires and employee turnover	Qualitative- quantitative	Description
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
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

GRI INDEX	GRI SPECIFIC INDEX	TYPE OF FORMULA	FORMULA
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	% men BOD total members
			No. BOD members >30 total BOD members
Gender equality	GRI 405-2 Ratio of basic salary and remuneration of women to men	Qualitative- quantitative	total women's wages x category Total no. women
			total men's wages x category <i>Total no. men</i>
CHAPTER 5 SUSTAINABLE SUPPLY CHAIN			
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
Quality in the production process and corporate culture	GRI 102-15 Key impacts, risks and opportunities		Description
Customer context and management: customer centrality	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Qualitative	Description

GRI INDEX	GRI SPECIFIC INDEX	TYPE OF FORMULA	FORMULA
Customer context and management: customer centrality	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Qualitative	Description
CHAPTER 6 ECONOMIC REPORTING			
Generation and distribution of value	GRI 201-1 Direct economic value generated and distributed	Quantitative	Reclassification of economic value by recipient
Recipients of the value distributed	GRI 201-1 Direct economic value generated and distributed	Quantitative	Reclassification of economic value by recipient
CHAPTER 7 SUSTAINABILITY PLAN			
Future commitments	GRI 103-2 The management approach and its components	Qualitative	Description
CHAPTER 8 GRI INDEX			
GRI index	GRI 102-55 GRI content index		GRI index with description and formula







# CONTACTS & CREDITS

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Graphic design: **Havas Pr Milan** 

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