

SUSTAINABILITY REPORT
2023



2023

Sustainability report



PERIOD COVERED BY REPORT

The report covers the period from 01 January 2023 to 31 December 2023.

SCOPE OF REPORT

The report only concerns data relative to Clivet S.p.A., for its site at Feltre (BL) and offices in Milan, and does not relate to the Group. Every reference alludes to this business, unless otherwise specified.

NATURE OF THE DATA


The data used in the report are a summary of official documents of Clivet S.p.A.

REPORTING STANDARDS

The report has been compiled in accordance with the standards of the Global Reporting Initiative (GRI).

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The document includes the icons for the Sustainable Development Goals (SDGs) defined by the United Nations Organisation (2030 Agenda), which may be linked to material issues for Clivet S.p.A. This connection was made by using the document: “Linking the SDGs and the GRI Standards”, issued by the GRI in 2021.



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Letter to Stakeholders

For the last 35 years, we have been engaged in the design, production and distribution of air conditioning and air treatment systems with high standards of efficiency and minimal environmental impact. These systems are based on heat pump technology, which uses thermal energy from renewable outside sources, such as air, water and the subsoil, in order to heat, cool and supply hot water in homes, commercial buildings and industrial sites, thus avoiding the direct use of fossil fuels.

Our motto is *Comfort for the Planet and People*, and we have a comprehensive vision that focuses on sustainability, a vital cornerstone for our future and for generations to come.

In accordance with this principle, we are actively committed to sustainable development, promoting equitable and inclusive growth for all members of our organisation, and taking an increasingly green approach to business management.

In our first, voluntary and non-financial report we want to outline the three basic precepts that underpin our actions, our behaviour and our intentions, with the aim of having a positive impact on a global scale: Environment, Social and Governance.

Environment

Clivet has made great strides towards carbon neutrality, which we intend to achieve by 2027, with a focus on both

direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions at our Feltre (BL) plant. We are also actively involved in tracking, analysing and reporting greenhouse gas emissions, in strict accordance with the guidelines of ISO 14064-1:2019. We have already certified our 2022 and 2023 emissions.

To help reduce the environmental impact of our products, we invest heavily in research and development, so that we can apply solutions with less energy consumption and use refrigerant gases with low global warming potential (GWP). We also focus on Life Cycle Assessment (LCA).

We have equipped the Feltre production site with photovoltaic panels, which cover part of our energy needs.

We are also building a new plant that will be LEED certified, demonstrating our commitment to sustainable production with a low environmental impact.

Finally, we act with strict adherence to European legislation and ESG reporting regulations, demonstrating full transparency and accountability towards investors and society as a whole.

Social

We make continuous efforts to improve the work-life balance of our employees, and to have a positive

impact on our local area and the social context in which we operate, taking small but practical steps every day.

Governance

Our top management is committed to leading Clivet on the pathway to sustainable success, a particularly important theme in the context of our increasing growth.

In addition to maintaining a responsible, overall vision, the Clivet management therefore tries to regulate and direct the company's decision-making processes so that value creation always takes account of the three facets of sustainable development: the economic, social and ecological aspects.



Stefano Bellò
Chairman and
Chief Executive Officer
Clivet S.p.A.



1. Comfort and wellness solutions



COMFORT FOR THE PLANET & PEOPLE

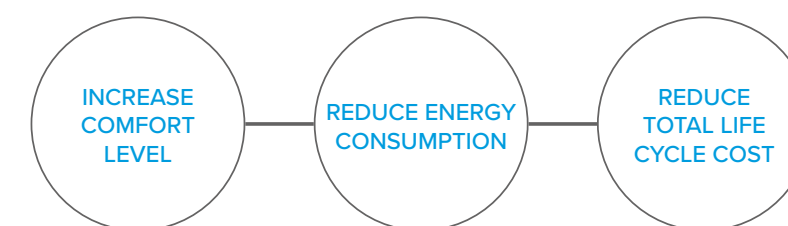
Clivet S.p.A. has been operating for 35 years in the field of air conditioning, heating, and air renewal and purification.

We design, produce, sell and service innovative products and solutions that offer comfort, energy savings and sustainability throughout their life cycle, and which are suitable for a variety of Residential, Commercial and Industrial contexts.

Sustainability for us also means giving recognition and respect to all the people who contribute to Clivet's success: Employees, Partners, Suppliers and Customers.

Clivet's Mission is:

To work with professional experts to improve levels of comfort and air quality for people in indoor settings by the use of high-tech and very reliable heat pumps and air conditioning products and systems, which respect the planet and help reduce the Total Life Cycle Cost.



1.1 A pathway based on values

We are now considered a leader in our sector in Europe, the result of a long journey that started in 1989, the year in which Bruno Bellò founded our company in Feltre, specialising from the outset in the production of air conditioning and air treatment systems.

Some important moments in our company history are outlined below.

1989

Clivet S.r.l. was established and immediately began its operations, specialising in heat pump technology.

In **1998** the name changed to **Clivet S.p.A.**

1996-2006

The decade featured many interventions to improve Clivet's corporate structure, leading to greater efficiency and simplification of the administrative system as well as the model of governance. In particular, the individual businesses of Clivet Italia S.r.l., Climec S.r.l., Clivet Klima S.p.A., New Orleans S.r.l. and Clever S.r.l. were united in a merger by incorporation.

2000

From the year 2000 onward, the company began to consolidate its position in the air conditioning market by opening **subsidiaries** in Europe and abroad, in the form of Clivet Group UK Ltd (United Kingdom), Clivet GmbH (Germany), OOO Clivet (Russia) and Clivet Mideast FZCO (United Arab Emirates).

2016

This was a key year for international expansion, with the purchase of a **controlling stake by the Midea Group & Co. Ltd**, based in China.

The Midea Group is present in more than two hundred countries with over 166,000 employees. This strategic alliance led to the integration of important advances in terms of technology and product design.

2020

The **Digital Business Unit** and **Innovation Centre** were created to promote the search for quality and innovation.

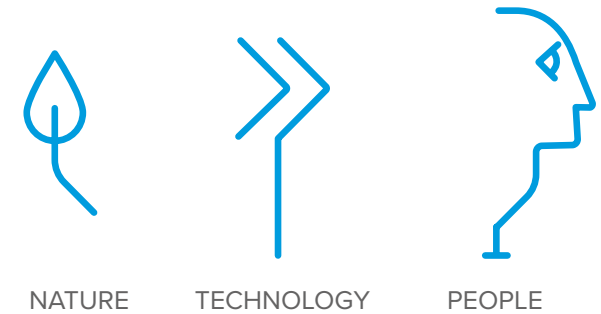
2022-2023

Clivet S.p.A. went ahead with the establishment of a **European Hub**, a division focused on international expansion. This began with the construction of a new production unit in Feltre, specialising in heat pumps with natural refrigerants, and continued with the opening of two additional companies, Clivet France SAS (France) and Clivet South-East Europe d.o.o. (Croatia).

In order to meet Europe's climate and energy targets, we need to reduce consumption for heating and cooling in line with the principles of the European Green Deal.

The European Green Deal is a set of strategies put forward by the EU, which requires member countries to align with the general objective of achieving climate neutrality by 2050, by reducing greenhouse gases (-55% by 2030) and promoting initiatives in the field of the circular economy, building renovation, biodiversity, agriculture and innovation.

Much can be achieved by engaging the various actors such as manufacturers, distributors, installers, designers and end consumers in this common cause.



Clivet's Vision is:

COMFORT FOR THE PLANET & PEOPLE

Clivet has always designed solutions that provide sustainable comfort and promote the well-being of the individual and the environment.

The logo representing the company Vision consists of a “living” line, involving nature, technology and people in a single brand.

We are acutely aware of the need to act responsibly, and for this reason our vision is based on developing more sustainable solutions for the planet, with low energy consumption but also with very high levels of comfort. Indeed, we are always in search of the best in our products, services, technologies, ideas and people, providing excellent support to our customers and stakeholders.

We also ensure that we carry out all our activities in accordance with the values of honesty, fairness, good faith and fair competition, and in a transparent and impartial manner that is fully compliant with current legislation. We always behave with diligence and professionalism in our relationships with our customers, employees, business and financial partners, and the communities in which we operate.

The principles that guide our way of doing business have been formally expressed in a Code of Ethics, and implemented in line with our Organisational Model, adopted in 2019 pursuant to Legislative Decree 231/2001. We also have a system for the preventive control of unlawful conduct, divided into types of crime.

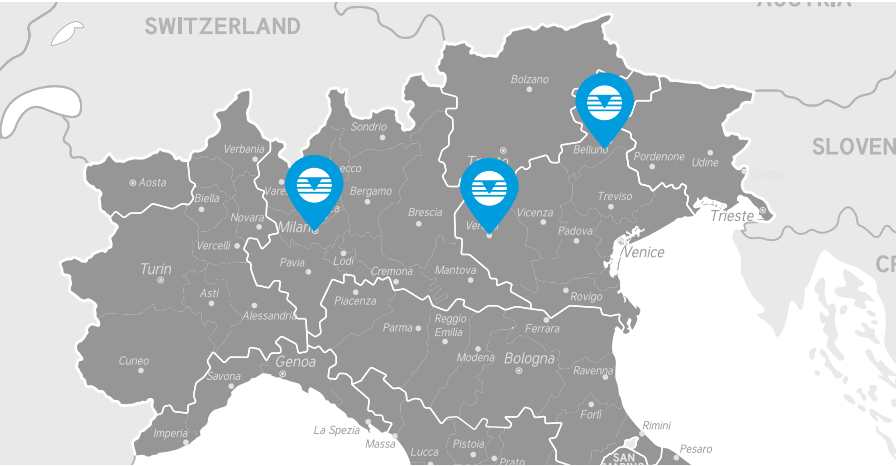
We base all actions, operations, relationships and transactions on the principles set out in the Code of Ethics, which has been brought to the full attention of:

- persons with representative, administrative or management roles in the Company;
- persons who exercise (even de facto) management and control of the Company;
- persons who cooperate and collaborate in any capacity in the pursuit of business objectives;
- all employees and collaborators (including consultants, agents, representatives and intermediaries), and anyone who has business relationships with Clivet.

1.2 Our structure and organisation

Clivet S.p.A. is now controlled by Midea Heating & Ventilating Equipment Italia S.p.A. and is divided between the following sites:

- Feltre (Belluno)** - This is where we have our registered office, executive offices, Digital Business Unit and Innovation Centre, our main production plant (covering over 50,000 m²), and a new 12,000 m² production unit due to open by the end of 2024;
- Verona** - This plant specialises in the production of Air Handling Units, and covers an area of about 3,500 m²;
- Milan** - This is the site of our European Hub, a 900 m² business centre focused on research and internationalisation, which includes its own training centre.



Our sites all meet high standards of quality and safety, and have been subjected to continuous improvement. An important step in this process was our implementation of an Integrated Management System for quality, safety and the environment, in compliance with standards ISO 9001, 14001 and 45001.

Our model of governance can be classed as traditional, with the Board of Directors appointed at the shareholders' meeting. The Board of Directors is responsible for implementing the strategies and objectives set by the Group, including those related to sustainability, and for adapting the organisation and its internal processes through action taken by management. For more details on Governance, please refer to section three.

Clivet S.p.A.
Headquarters
Feltre (Belluno)

Our business is continuing to expand thanks to our alliance with Midea, and we now have:

54400

square metres of **site area** in Italy, including Feltre, Verona, and a **European Hub** in Milan

7

Branches in Great Britain, India, Germany, Russia, the United Arab Emirates, Southeast Europe, and France

43
+
9

43 **Distributors** worldwide of which 7 were new in 2023, based in Ireland, Tunisia, Serbia, Poland, the Czech Republic, Slovakia and Lithuania.
9 **OEM partners** in Europe

36
+
230
+
54

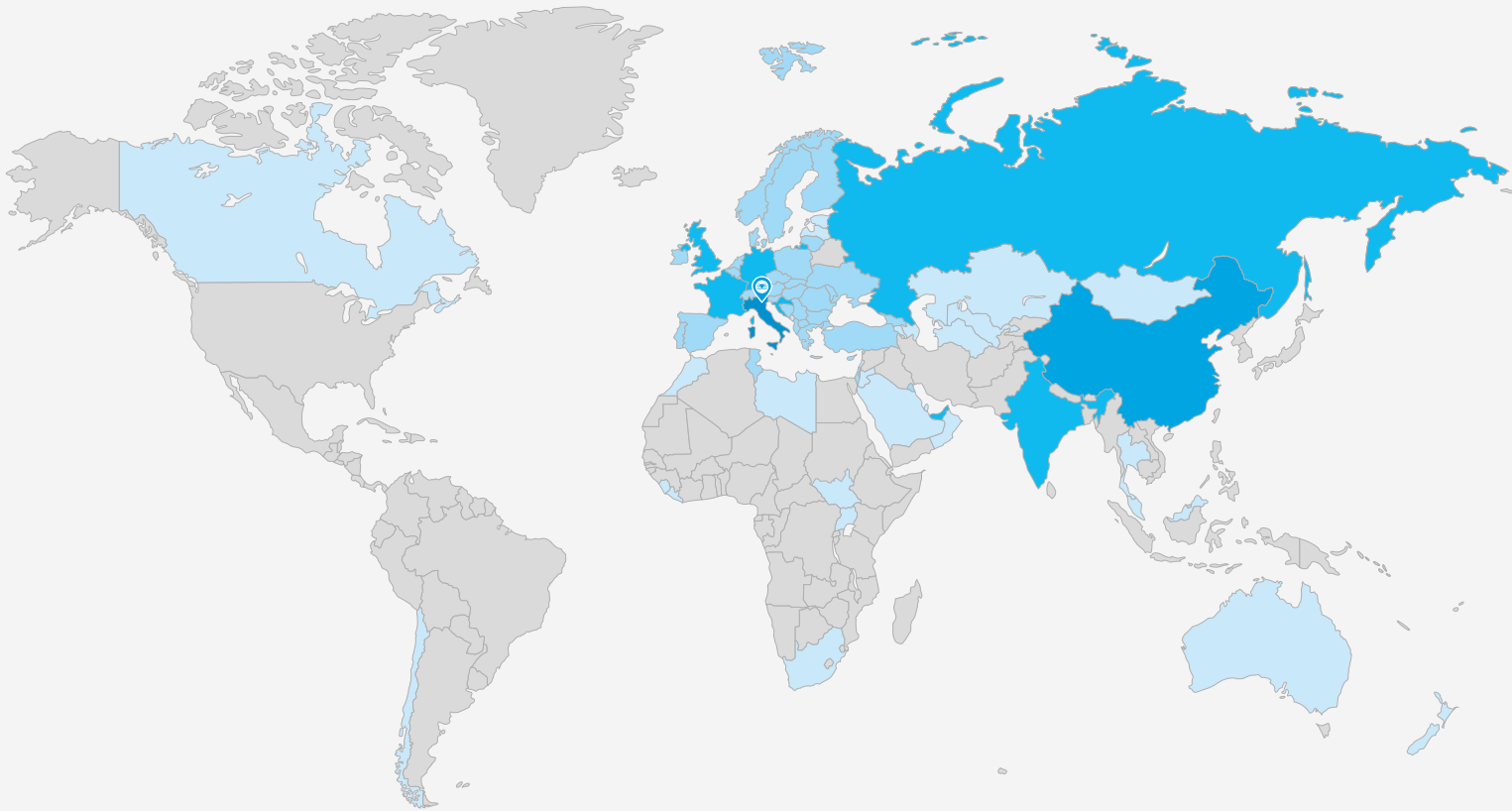
36 **Agencies**, 230 **Dealers** and 54 **Clivet Clima Club Specialist Installers** inside Italy

196

Authorised Service Centres of which 168 are in Italy and 28 in our international market. In particular, in 2023 we set up 22 new Service Centres for the domestic market, and 22 within the EU and in non-EU states

100

countries to which we export globally



- Headquarters
- Parent Company
- Subsidiaries
- Distributors & OEMs
- Customers

To help reinforce the network of professionals in our sector and build ties with the area in which we operate, we are associates of the following:



AICARR (the Italian Air Conditioning, Heating and Refrigeration Association) is concerned with the intelligent use of energy and natural resources, as well as promoting innovation in energy infrastructure, for both the planning and building sectors. It makes an important contribution to the discussion and drafting of regulations for the sector, and works with other Italian and European associations and government bodies.



ASSOCLIMA (the Association of Manufacturers of Air Conditioning Systems) is the main reference point for Italian producers of air conditioning, ventilation and heat pump systems.



GREEN BUILDING COUNCIL (GBC) ITALY is part of World GBC, the largest international organisation active in the field of sustainable construction, and originator of the LEED protocol, the most commonly used global method for certifying green buildings.



ANIMA (CONFINDUSTRIA MECCANICA VARIA) is the trade federation that represents mechanical engineering companies. It is made up of 34 associations and product groups, and includes over a thousand companies.



EHPA (the EUROPEAN HEAT PUMP ASSOCIATION) is the voice of the heat pump industry. It is based in Brussels, and is actively working to develop a European policy that supports this technology, which has already been described as strategic for achieving Europe's ambitious climate goals.



OLTRE IL GREEN is a project for the circular economy devised by a group of consortia including Ecoped, Ridomus (the consortium for Clivet), Ecopower and Pneulife. It operates throughout Italy to manage and recycle electrical and electronic equipment (WEEE), batteries, accumulators and end-of-life tyres.



EUROVENT is the European Industry Association for the heating, ventilation, air conditioning and refrigeration sectors. It represents over 1,000 companies and includes the Eurovent Certification division, an independent programme for certification of performance, and Eurovent Market Intelligence.



EVIA (the European Ventilation Industry Association) represents operators in the European ventilation sector. It has over 45 members and 6 national associations, and promotes energy efficiency with a focus on health and comfort.



ANIE as part of the Confindustria System, ANIE represents over 1,100 high-tech and medium-high-tech companies working in the electrotechnical and electronic supply chains, and general contractors in the industry.

1.3 What are our products and where do they come from?



Right from the start, Clivet has specialised in the design, production and distribution of highly efficient air conditioning and air treatment systems with minimal environmental impact.

We believe the green technology of the heat pump has a strategic role to play, by taking energy from the environment (air, water or subsoil) and returning it in the form of cool air or heating. It provides high performance and can also be easily integrated with all other methods of renewable energy production, and so can play a useful role in the increasingly pressing matter of achieving balance in the power grid.

At the same time, we consider the efficiency of our systems is fundamentally important. We have always focused on developing solutions that can maximise overall energy efficiency over the course of a year, because we know that this is how our systems will contribute to the development of sustainable buildings for different types of use. To this end, we developed our Multiscroll solutions with two or three compressors more than twenty years ago, becoming real pioneers in Europe. Over the last decade, we've introduced inverter technology to nearly all our products where it is applicable, capitalising on the industrial cooperation within the Group.

To increase the impact, we've also extended the concept of energy efficiency to the entire plant, in addition to the individual product. We have gone on to develop some distinctive solutions such as our decentralised water-loop heat pump (WLHP) systems, which can heat and cool different parts of a building simultaneously by transferring thermal energy, and multifunctional systems that can provide the same service in a centralised way within a single product. Similarly, to provide the air renewal function, we have designed and developed an innovative, compact and efficient system that uses heat pump technology to enable thermodynamic energy recovery.

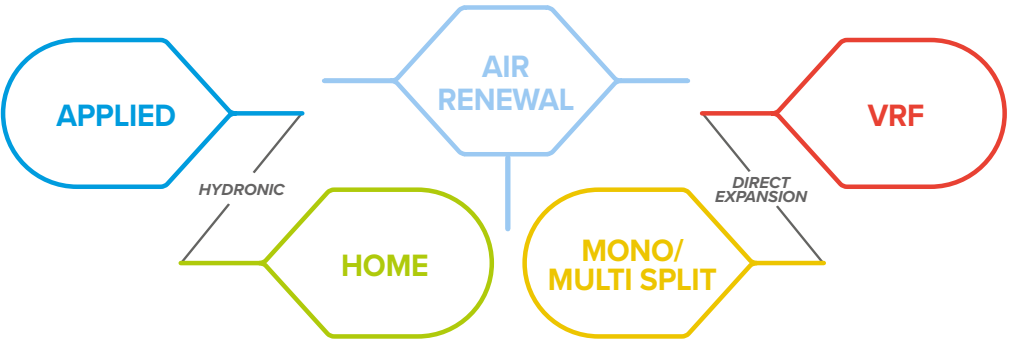
Alongside this, we have also invested heavily in the use of sustainable refrigerants, creating probably the largest and broadest catalogue in Europe with medium and low GWP (Global Warming Potential) refrigerants, such as R-32, R-513A, and R-1234ze. We have preempted the strict requirements of the new F-Gas Regulation 2024/573 with our latest units for residential, commercial and industrial applications, which contain the R-290 natural refrigerant.

Another key method for improving the energy efficiency of buildings is through digital solutions, and we have created a dedicated Business Unit to this end. Clivet's Smart Living allows you to manage comfort levels and energy use throughout your home in the form of a single system.

We also consider the need for sustainable, green buildings and so pay close attention to the design of our systems, which are thus able to play their part in the development of LEED and BREEAM certified buildings.

All these innovations are united by a search for excellence, which is vital for us both in terms of the quality of our products, which we research and design with a view to their whole life cycle, and with regard to our ISO 9001-certified business processes.

Our solutions include:



Applied Systems. These are products and systems for use in medium and large premises, with a variety of commercial and industrial applications. They include liquid coolers and heat pumps for air conditioning and processing, roof-top units for large, crowded environments, decentralised loop-type systems that are mainly used in buildings with contrasting requirements, air handling units in modular sections, and centralised systems for optimum energy control.

Home (Residential) Systems. These provide a low-carbon solution for air conditioning in the home. They include different types of heat pumps to suit the features of the building, for providing air conditioning in the rooms and producing domestic hot water, and for renewing and purifying the air. They come with air conditioning terminal units in the rooms and centralised control devices. The most advanced version is called Smart Living and features centralised control and electricity storage systems. It manages energy use throughout the home completely autonomously, and is powered solely by electricity so as to eliminate any local emissions and maximise in-house consumption.

Air renewal systems. These systems renew the air in rooms in a controlled and automatic way, reclaiming the thermal energy from the stale air before expelling it, and exchanging it with suitably purified and air-conditioned outdoor air using reversible heat pump technology.

VRF Systems. These systems are based on direct expansion heat pump technology, with a wide choice of indoor and outdoor units and year round air conditioning control systems for shops, offices and hotels.

Split Systems. These are also based on direct expansion heat pump technology, and offer the fastest solution for air conditioning in homes and shops. They can also be used in combination with heat pumps for the production of domestic hot water when required.

Our alliance with the Midea Group has allowed us to expand our distribution to new frontiers. In addition to our important market share in Italy, we are now exporting to all parts of the world, in particular to Germany, Russia, Turkey, the United Kingdom, Hungary, and the United Arab Emirates.

1.4 Our business model

Our way of doing business:

To create an effective competitive strategy, by

- offering a range of products, services and systems designed to provide innovative and sustainable solutions for our Customers;
- establishing a widespread and strategic network, to help consolidate Clivet's position as a partner able to serve its Customers in a prompt and attentive way.

Supporting virtuous growth and, in particular,

- developing solutions that can provide significant improvements in energy performance, in accordance with the European Green Deal;
- investing in the growth and special qualities of Clivet people both at the managerial level and in the specialist technical field, the starting point for a future of sustainable values.

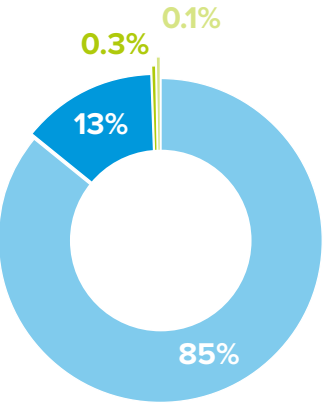
Creating a virtuous circle of profit

- Clivet has a strong drive to achieve economic-financial success, an essential way to improve competitiveness and ensure the continuing creation of sustainable and lasting value.

Operating in this way allows us to generate value and redistribute it to our stakeholders, and also gives us a better understanding of our relationships with the socio-economic systems to which we are connected

The economic value which is generated and distributed is calculated by breaking down the figures in the financial statements, as shown in the following table:

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED		2023
Generated value (revenue)		€ 297,405,343
Total economic value distributed. Of which:		€ 292,807,343
	Operating costs	€ 254,132,321
	Employee salaries and benefits	€ 37,598,697
	Payments to capital providers	€ 266,197
	Payments to the Public Administration	€ 801,228
	Investments in communities	€ 8,900
Economic value retained		€ 4,598,000



In 2023, the economic value generated by Clivet S.p.A. amounted to 297,405,343 Euros. Of this total, the amount distributed to stakeholders came to 292,807,343 Euros, divided up as follows:

- 252,124,326 Euros (86.8%) for operating costs, which represented the largest share;
- 39,606,692 Euros (12.8%) to employees, mainly for wages, salaries, social security contributions and welfare charges;
- 801,228 Euros (0.3%) paid to the Public Administration, in direct and indirect taxes;
- 266,197 Euros (0.1%) paid to lenders in the form of interest, commissions and financial charges;
- 8,900 Euros distributed to the local community to support socially important activities.

1.5% of the value generated was retained and reinvested within the Company, to create new economic and asset value for the benefit of stakeholders.



2. The creation of a sustainability report

2.1 The reasons and guidelines for reporting

We believe that it is extremely important to engage in a dialogue with our *stakeholders*. This is why we've chosen to draft this sustainability report, explaining how we focus on ESG (environmental, social and economic) concerns, and describing the strategies we've implemented and our commitments.

This report is our first example of a non-financial statement and has been drawn up in accordance with the 2021 edition of the **Sustainability Reporting Standards** published by the Global Reporting Initiative (GRI), the world's most widely used reference point. It will be subject to an annual update.

To ensure that the information it contains is of good quality and correctly presented, we have applied the principles of:

- Accuracy
- Balance
- Clarity
- Comparability
- Comprehensiveness
- Sustainability context
- Timeliness
- Testability.

The information and data presented in our report refer to the calendar year 2023 and concern Clivet S.p.A., with reference to our site in Feltre (BL) and offices in Milan. The document is not subject to audit by external companies.



2.2 Materiality analysis: what it is and how it is done

The term *materiality* refers to the threshold above which issues become sufficiently important that we need to account for them, working to establish goals for improvement and developing company initiatives.

A materiality analysis is basic to the drafting of a sustainability report, and is carried out in accordance with the GRI standards, which have been recently updated to include an important change. Since 2021, the materiality analysis has focused on the impacts generated by the company on people and the environment, rather than on those aspects of sustainability that are generally considered important for the company.

We identified our material issues by carrying out an in-depth study of the context and the competition in terms of sustainability. We then identified the main impacts, current or potential, of our operations in relation to the three dimensions of sustainability. The company management then assessed the impacts in a survey that graded each of them from 1 to 4, based on their importance and the probability of the occurrence. These scores led us to develop our list of material issues, i.e. those topics that exceeded the threshold of 4 points out of a maximum score of 16.

Our material issues, divided according to theme, are set out in the table below, together with the relevant emblems for the UN's **Sustainability Development Goals** (SDGs).

SCOPE	LIST OF RELEVANT TOPICS	DESCRIPTION	SDGS
Environmental	Emissions	Conducting a business in a way that seizes opportunities to prevent and reduce emissions, with the aim of helping to mitigate climate change.	      
	Product quality and sustainability	Supplying products that comply with the highest quality standards, including in terms of sustainability.	 
Social	Health and safety at work	Protecting the health and promoting the safety of workers.	  
	Worker welfare	Promoting the well-being and satisfaction of workers through their professional development.	  
	Equal opportunities and diversity	Improving the personal and cultural diversity of the company's workforce, suppliers and customers, avoiding discrimination and promoting inclusion.	  
	Staff retention	Developing a culture and environment within the company that encourages workers to stay.	  
Economic and governance	Value and strength of the company	The company's ability to generate economic value, and to redistribute it both within and outside the company.	 
	Compliance and business integrity	Ensuring compliance with mandatory or voluntary standards by empowering employees and applying suitable models of organisation and management; achieving measurable, certified objectives in terms of performance and sustainability.	
	Risk management	Before taking any action, assessing the risks and opportunities in the economic, social and environmental contexts for the company's operations and image.	
	Research, development and technological innovation	Research and innovation play a key role in making the company more competitive and encouraging continuous improvement.	
	Customer satisfaction	Ensuring customer satisfaction by providing quality products and communicating in a prompt and transparent way.	 

2.2.1 Stakeholder engagement

In order to identify the economic, environmental and social interests and expectations of our stakeholders, it is crucial to listen to and involve them when deciding the company's priorities.

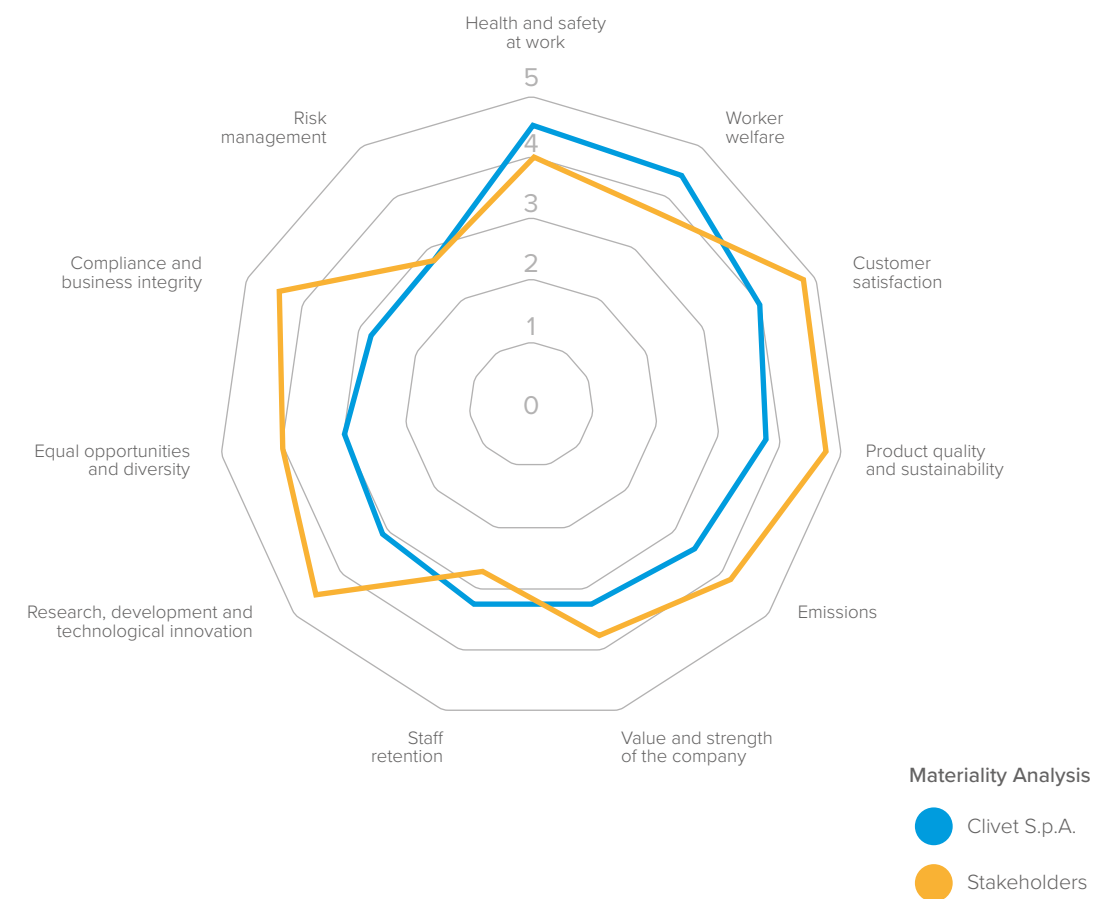
This process of *stakeholder engagement* is designed to reveal the opinions and expectations of stakeholders, and then to involve them in development strategies. The starting point for the process was to identify the most significant stakeholders for the company, by use of the indications in the AA1000 **Stakeholder Engagement Standard** (AA1000SES) 2015.

These stakeholder categories are shown in the table below.

CATEGORY	DEFINITION
Employees	People who work for or on behalf of Clivet, including representatives (e.g. for trade unions).
Suppliers	Those who provide us with raw materials or other supplies, services and technologies.
Customers	Users of our products, including consumer associations.
Society and local communities	The social context of the places in which we operate, and which can influence our business, either directly or indirectly.
Institutions	The various institutions that may have a direct or indirect impact on Clivet's activities (e.g. the Region, Municipality or University).
Associations and NGOs	Private non-profit associations and organisations that may be active in areas that directly or indirectly influence our activities, including environmental, nutritional or animal organisations and trade associations.
Media and press	International, national and local communication media (e.g. television, press, radio and the web) that may directly or indirectly affect the company's activities.
Shareholders	Those who own or will own shares in Clivet, and might directly or indirectly influence its activities.

The second step in this process looked at the ways we can listen to stakeholders.

As this was the first year of this report, we decided to use an **indirect method** of engagement, which involved studying relevant documents to find stakeholder views on important issues. The chart below shows our material topics according to their internal priority as per the impact analysis and the Board of Directors' strategic classification of each aspect of sustainability, and according to their relevance from the point of view of the company's stakeholders.



Because of the approach taken in the latest version of the GRI standards, the results of stakeholder engagement activities have acquired a special focus and direction.

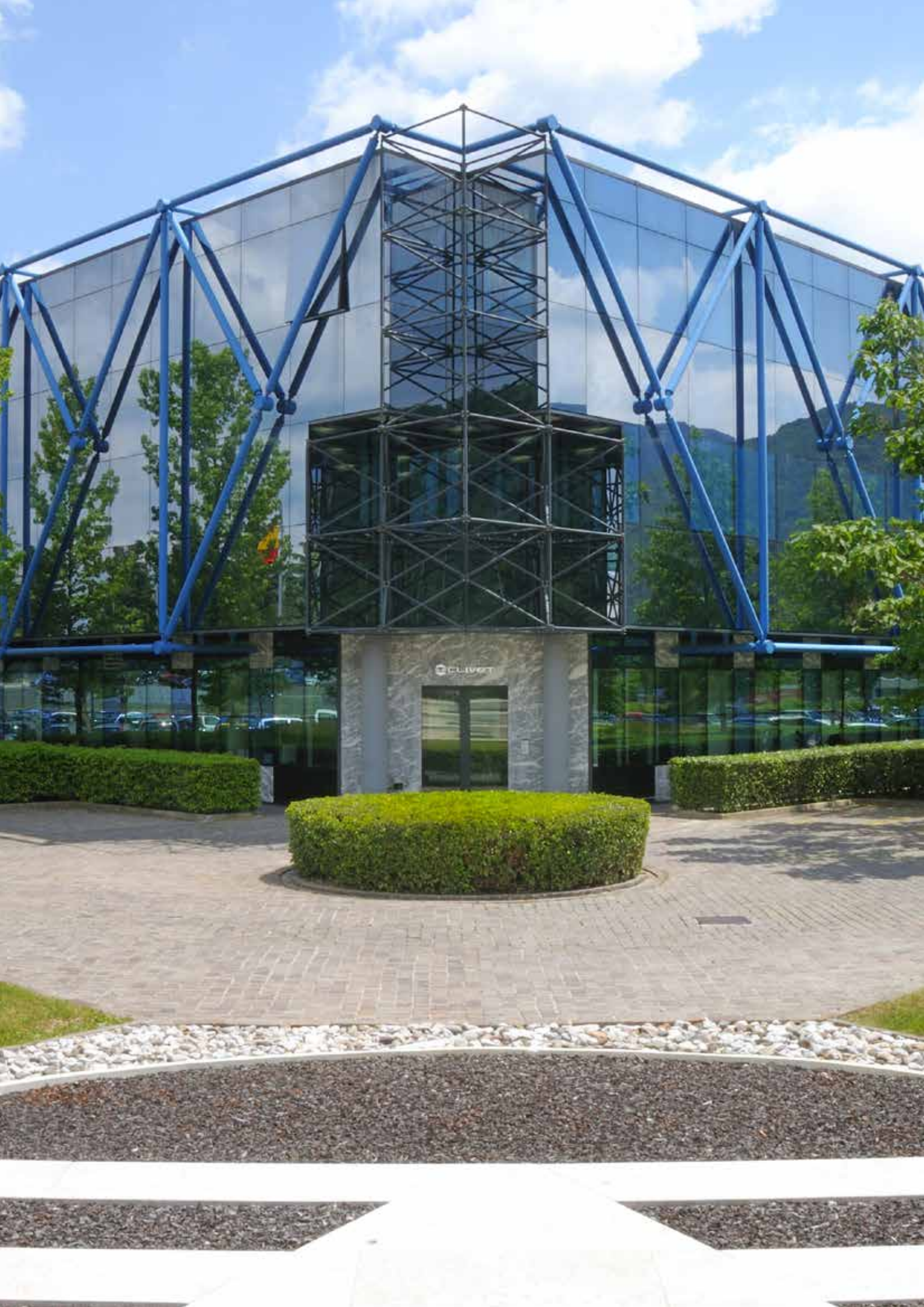
For us, the issues related to **Occupational health and safety**, **Worker welfare** and **Customer satisfaction** are absolutely critical. Indeed, our success is based on our workforce and customers, and so for us they play an essential role.

Then there are **Product quality and sustainability**, vital to ensure high quality products that also respect our planet; **Emissions**, a theme that sees us working on initiatives to reduce the harmful gases related to our activities; **Value and strength of the company**, the starting point for every organisation.

Staff retention and **Equal opportunities and diversity** are topics that chime with our human resources-centred approach.

Next we have **Research, development and technological innovation**, a field that allows us to achieve cutting-edge products for the market; **Compliance and corporate integrity** and the important **Risk management**, which contribute towards an ethical and transparent business.

The stakeholder assessments reflect the importance we place on Product Quality and Sustainability, Emissions, Company Value and Strength, and Occupational Health and Safety.



3.

Transparency and accountability
of our governance



3.1 Governance model

Clivet S.p.A. has had a traditional governance system over the years. The Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting make up the corporate bodies, to which can be added also the Supervisory Body (pursuant to Legislative Decree 231/2001) and the Ethics Committee/Channel Manager.

The Board of Directors (BoD) is the highest corporate governance body responsible for implementing the strategies and objectives identified by the Group, and for adapting the organisation and internal processes to these objectives.

Stefano Bellò is our Chief Executive Officer. He is also Chairman of the Board of Directors and holds all the powers of ordinary administration of the company except those indicated in the Chamber of Commerce certificate.

The Board of Directors is composed of the Chairman and six other directors, including a woman: Alice De Cet, Ligang Liu, Lin Cheng, Xiyang Peng, Jinwei Guan, and Yan Wang. Most of the members are relatively young: out of 7 members, over 70% of them, in fact, are between 30 and 50 years old.

The members of the Board of Directors are appointed by the shareholders' meeting, which also establishes the duration of the appointment within the maximum limit of three years. They may be reappointed as required. If one or more directors are missing during the year, the others shall directly replace them and these new directors shall remain in office until the next shareholders' meeting. If not done so during the Shareholders' Meeting, the Board of Directors elects the chairman from among its members. It may also appoint one or more deputy chairmen or Chief Executive Officers.

The current Board of Directors is in office until the approval of the financial statements as of 31 December 2024.

The cohesive senior management implements the Group's strategies and objectives, reporting directly to the Chief Executive Officer.



Our articles of association do not provide precise details on suitable processes to avoid conflicts of interest; and, to prevent them, we follow a practice whereby at the beginning of each meeting, each director reports any conflicts of interest with regard to the items on the agenda. In addition, we have adopted the Management and Control Organisation Model pursuant to Legislative Decree 231/2001 to ensure greater fairness, legality and transparency in the performance of business activities and in the corporate interest. Model 231 allows us to protect the interests of the shareholders, the administrative body and the company from the negative effects of unforeseen penalties. By mapping the company activities sensitive to the risks of offence indicated in Legislative Decree 231/2001, we were able to define specific protocols to be followed, and monitor their application during the audit phase. At the same time, the Supervisory Body (SB) defined by the model allows us to further verify and implement decision-making and application processes, as well as their control systems. The model is constantly checked and updated to always reflect the current state of affairs and the context in which the company operates. It is expected to be completely updated in 2024 in order to ensure its consistency with current events.

Alleged illegal conduct can be reported according to the provisions of the organisational model, in line with the code of ethics and with the domestic privacy legislation in force. In particular, Legislative Decree 24/2023 in application of EU Directive 2019/1937 covers “Whistleblowing”. Anyone, inside or outside the company, has the right to submit a report. There are various ways to do so:

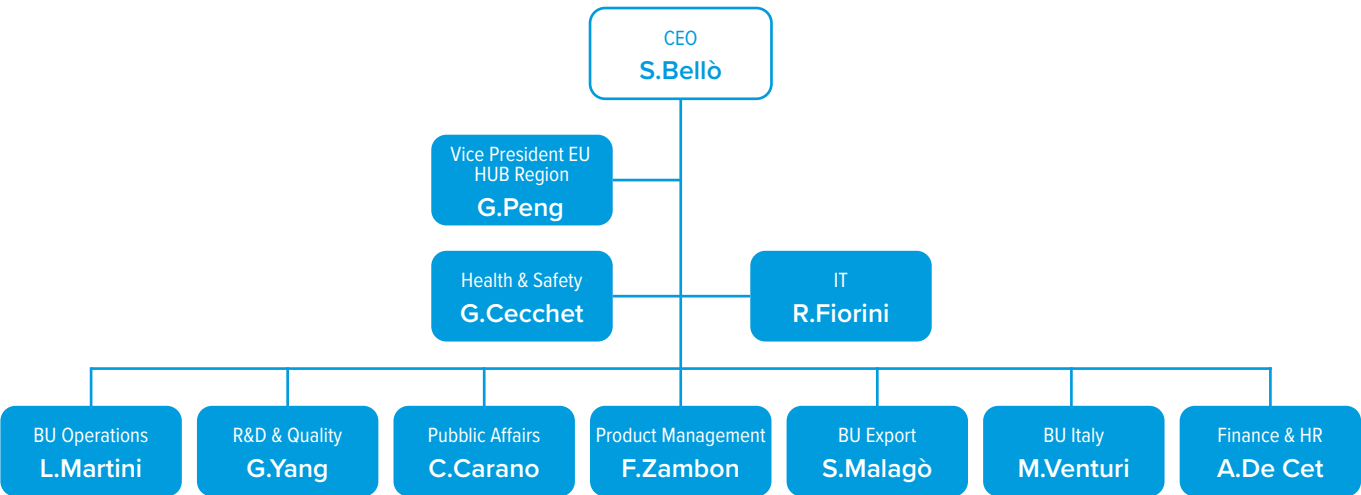
- by sending a letter by post;
- by leaving a voice message on the whistleink.com platform;
- by visiting the whistleink.com platform.

Reports may be submitted primarily relating to alleged financial wrongdoing, corruption and bribery violations, environmental crimes or health and safety risks, as well as deliberate violations of law.

The reporting management procedure is entrusted to the Ethics Committee/ Channel Manager and consists of the following internal management figures: Alice De Cet (CFO and HR Director), Viki Vittadello (Integrated Quality System & Certifications Manager) and Alfredo Pivato (Legal Counsel).

In 2023, no reports were received.

All information relating to the whistleblowing procedure can be found on our company website at the following address <https://www.clivet.com/en/disclaimer>



3.2 Ethics and compliance

The will to act ethically and in compliance with the regulations is one of the principles of our way of doing business and has led us, among other things, to adopt **Model 231** and the **code of ethics**.

The Supervisory Body, which meets on a regular basis and remains in office for three years, has autonomous powers of initiative and control over the correct application of the organisational model and the code of ethics. The Supervisory Body is formed of two specialists, one external and independent and the other internal to the company.

The code of ethics has been approved by our Board of Directors and defines behaviours and conduct to be followed, as well as the areas of application. Compliance with this document is an essential condition for proper running and reliability of the company.

We have also decided to implement an Integrated Management System (IMS) for the management of Quality, Environment, Health & Safety issues. This system is compliant and certified according to ISO 9001, ISO 14001 and ISO 45001 standards. We carry out regular internal audits to verify the organisation's fulfilment of the mandatory environmental, health and safety requirements with a view to improvement, and we are subject to inspections by the accredited certification body.

As of 2023 and with reference to 2022, we have also certified our greenhouse gas (GHG) emissions, in accordance with ISO 14064-1.

A summary is provided below:



CERTIFICATION	COMPANY & OFFICES	CERTIFIED BY	FUTURE DEVELOPMENTS
ISO 9001 - Quality	Feltre headquarters and production sites	1st certification: 1996 Expected renewal: 2024	Extension at the Milan site in 2024
ISO 14001 - Environment	Feltre headquarters and production sites	1st certification: 2015 Expected renewal: 2024	Extension at the Milan site in 2024
ISO 45001 - Health and safety	Feltre headquarters and production sites	1st certification: 2018 Expected renewal: 2024	Extension at the Milan site in 2024
ISO 14064-1 - Greenhouse gases	2022 emissions: Feltre headquarters and production sites 2023 emissions: Feltre headquarters and production sites and Milan office	Emissions analysed: 2022 and 2023	The emissions in 2024 also include the emissions of Clivet's commercial subsidiaries and Clivet Air

Furthermore, our products are certified according to the most qualified industry standards including:

EUROVENT - The purpose of the Eurovent Certification Programmes is to create a common set of classification criteria for products from different manufacturers. The comparison between the performance of the machines with tests carried out by accredited laboratories, on the basis of well-defined procedures, guarantees strong and healthy competition in a market open to all manufacturers.

Clivet is part of the EUROVENT Certification programmes for “Chillers and heat pumps” and “Air handling units”, “Rooftop units”, “Fancoil units” and “VRFs”. The products concerned are listed in the EUROVENT guide of certified products and on the website www.eurovent-certification.com.

Ref. 4G009 “Eurovent certification management”



HPKEYMARK - HPKEYMARK is a voluntary and independent European certification mark for all heat pumps, combination heat pumps and water heaters, up to 400 kW.

Ref. 4G008 “HP KEYMARK Unit Certification Quality Plan”

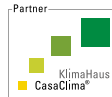


Clivet products listed in the MCS (Microgeneration Certification Scheme) directory - MCS is a valid trademark in the UK and certifies low-carbon products and plants used to produce electricity and heat from renewable sources (from solar panels to wind turbines, from biomass boilers to heat pumps, etc.). MCS maintains the standards for the certification of products, installers and their installations.

Clivet is listed in the MCS directory in “derivation” from HPkeymark.



CasaClima - Quality seal “Casa Clima Quality Product”, for products with high standards of energy efficiency and construction quality. It applies to heat pumps. It is a nationally recognised label, based on HPKeymark or Eurovent.



EHPA (European Heat Pump Association) - Product certification by the importer where required. Valid in 12 European countries; including Austria, Germany and Switzerland.

EHPA is based on HPkeymark certification.



EKO SKLAD - EKO SKLAD is the largest financial institution for the promotion of environmental investments in Slovenia. It supports environmental investments compatible with the National Environmental Action Plan and with the environmental policies of the European Union.

Clivet receives support from Eko Sklad.



SG READY - Preparation of the units for the exchange of information with the electricity distribution network, in order to optimise energy consumption in a rational way, also avoiding overloads and voltage fluctuations. Required for German markets.



MEPS (Australia) - Certification of minimum required performance for air and water cooled water chillers with a capacity equal to or greater than 350 kW.

CMIM (Morocco) - Since mid-2020, shipments to Morocco have required CMIM certification, which is managed for single shipments and which certifies the compliance of the products not only with Moroccan regulations but also, for example, with the LVD and EMC directives.

SASO (Saudi Arabia) - Certification related to the import of products into Saudi Arabia, mandatory by law and involving stringent requirements, such as minimum performance to be achieved, and tests to be performed according to the AHRI regulations (United States).

Danish Agency Energy - Some Clivet products have been Danish Agency Energy certified since 2023. The certification is for heat pumps and the Danish market only, and requires specific testing.

NTA8800 - The certification is for residential heat pumps on the Dutch market. It partially recognises HPKeymark certification and requires additional testing.

We are committed to ensuring respect and compliance at all times. This is also why we are happy to announce that, in 2023, we did not register any cases of non-compliance with laws and regulations and were not issued with any penalties.

With regard to Model 231, procedures and controls were defined to reduce, if not eliminate, the risk of committing crimes and offences. These tasks are entrusted to the Supervisory Body which monitors and verifies alleged violations either independently or upon the submission of reports.

Our anti-corruption procedures are made available to everyone and communicated to all our staff through a specific portal for the collection and dissemination of procedures. Employees can access the policies, including Model 231, in the dedicated staff portal.

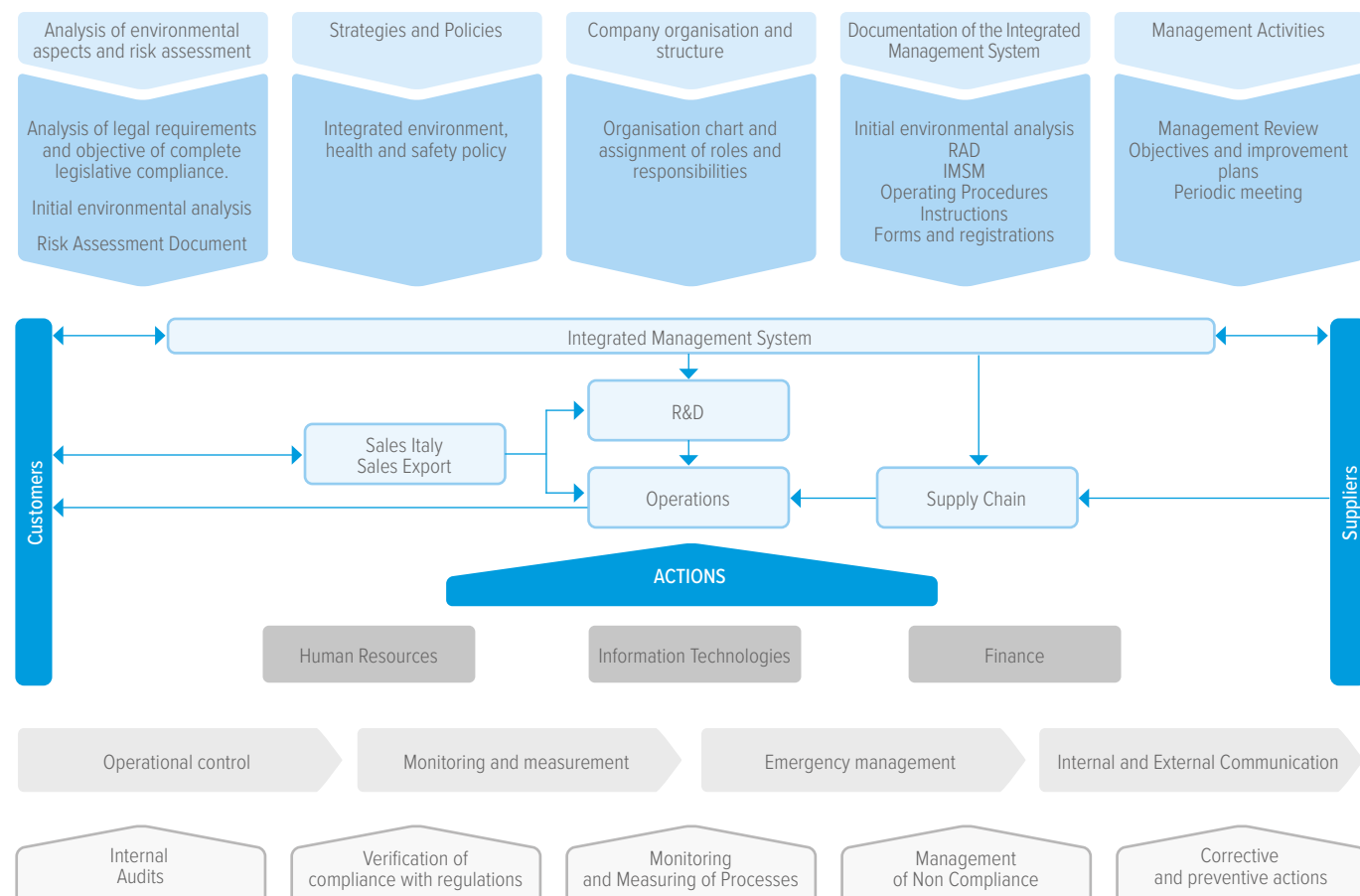
In 2023, we had no proven incidents of corruption or lawsuits against our organisation related to incidents of corruption.

3.3 Risk management

The company's strategies and objectives are identified at the level of the Group. Our Board of Directors is then responsible for implementing them and verifying the adaptation of the organisation and internal processes to these objectives.

We pay particular attention to the appropriate and conscious management of the exposure to risk. We effectively address potential risks through Model 231 and the Integrated Management System (IMS) relating to quality, safety and the environment. Model 231 and the Supervisory Body guarantee a structured system of controls for reducing the risk of committing crimes and offences through monitoring actions and preventive measures. At the same time, the Integrated Management System allows us to monitor and assess risks related to quality, safety and the environment.

And in the context of the Integrated Management System, we have identified the key corporate processes for our business, which are outlined in the diagram below.



We have assessed our activities to identify the aspects likely to lead to significant negative impacts, and to define control procedures. In this way we can also set priorities and implement measures for improvement.

The Management plays a key role in this regard, allowing us, in accordance with the requirements of the Integrated Management System and on the basis of the organisational model, to identify possible business risks mainly related to:

- the economic context with repercussions on international trade and investment in light of conflict situations and interest rates,
- supply and price fluctuation that are reflected in production costs such as those of raw materials, transport and import quotas, refrigerant gases with reduced CO₂ emissions and energy,
- evolution of the regulatory framework to mitigate the risks deriving from the national and international legal provisions and technical standards that apply to the technologies of the marketed products. In light of the above, an internal team of specialists was formed in 2023 to ensure the scrupulous compliance of the products with the most qualified international standards relating to pressure (PED), electrical, flammable gas, chemical and environmental risks.
- normal operations in the area of finance such as credit, liquidity, interest rates and exchange rates mitigated by a consolidated relationship with a Group company for credit insurance and by payment deferrals and/or subsidised intra-Group loans.

The current and expected risk levels are then defined and the actions and projects to be taken to reduce them are planned on the basis of this evidence. Lastly, a system for monitoring and managing the activities undertaken is implemented. The risk analysis also considers ESG aspects.

We have also implemented a **Company Information System** to support all business activities, including those related to the Integrated Management System. This system is subject to continuous monitoring by specialised technicians and it processes all company information, facilitating both daily activities and strategic decisions.



4. The people who contribute to our success

4.1 Working for well-being



Clivet believes in the real need to recognise and value the experience of its employees, to respect interpersonal differences, and to promote cooperation and well-being. At 31 December 2023 Clivet Spa had 712 employees ¹ of which **87%** were employed on a **permanent basis** and 94% on a full-time basis.

We are convinced that these types of employment contribute both to the well-being of people, ensuring long-term job stability and financial security, and to the creation of a solid and cohesive work environment, promoting mutual trust between employer and employee, as well as to the creation of sustainable career opportunities. This strategy not only improves the quality of life of our employees, but also contributes to a more stable and inclusive society, promoting an employment model that goes beyond mere profit, supporting individual and collective well-being for greater social sustainability.

However, this does not mean that we completely exclude different contractual forms, especially when these meet specific personal needs.

The following table shows the breakdown as of 31/12/2023 of employees by type of contract based on working hours and gender.

Clivet
Milan offices

1. Method used for counting: Head count

	MEN			WOMEN			% OF TOTAL		
	Full-time	Part-time	% ²	Full-time	Part-time	% ³	Full-time ⁴	Part-time ⁵	Total ⁶
TYPE									
Executives	5	0	83%	1	0	17%	100%	0%	1%
Managers	24	0	83%	5	0	17%	100%	0%	4%
White collar workers	204	2	69%	82	11	31%	96%	4%	42%
Blue collar workers	300	6	81%	48	24	19%	92%	8%	53%
TOTAL	533	8	76%	136	35	24%	94%	6%	100%
CONTRACT									
Permanent contract	469	7	77%	113	29	23%	94%	6%	87%
Fixed-term contract	64	1	69%	23	6	31%	93%	7%	13%
TOTAL	533	8	76%	136	35	24%	94%	6%	100%
PROVENANCE									
Italy	496	7	76%	129	34	24%	94%	6%	94%
Europe	18	1	79%	4	1	21%	92%	8%	3%
Rest of the world	19	0	86%	3	0	14%	100%	0%	3%
TOTAL	533	8	76%	136	35	24%	94%	6%	100%

24% of our staff is made up of women, with a female presence of 19% in the blue collar workers category, 17% in the executive and manager categories and 31% in the white collar workers category.

Most of our employees are Italian nationals. There are 46 foreign-born colleagues, including 24 from other European countries and 22 from the rest of the world. An international workforce is an important thing for us, especially due to the value that the sharing of cultures and different points of view can bring to our business.

In 2023 we also used the services of 48 non-employee workers ⁷, divided between temporary and outsourced employees, and 5 interns; and we set up the Milan offices (European Hub division) precisely to improve the interaction between the work system and collaborators. It is therefore important to strengthen the sense of belonging and promote the values of the company culture.

2. Ratio of all Men (full and part-time) and total employees of the same category (full and part-time)
3. Ratio of all Women (full and part-time) and total employees of the same category (full and part-time)
4. Ratio of Men and Women working full-time and total employees of the same category (full and part-time)
5. Ratio of Men and Women working part-time and total employees of the same category (full and part-time)
6. Ratio of Men and Women working full and part-time by category and total employees (full and part-time)
7. Method used for counting: Head count

NON-EMPLOYEES AS OF 31/12/2023	
Internships	5
Temporary - Outsourced	43
Professional work contracts	0
Total	48

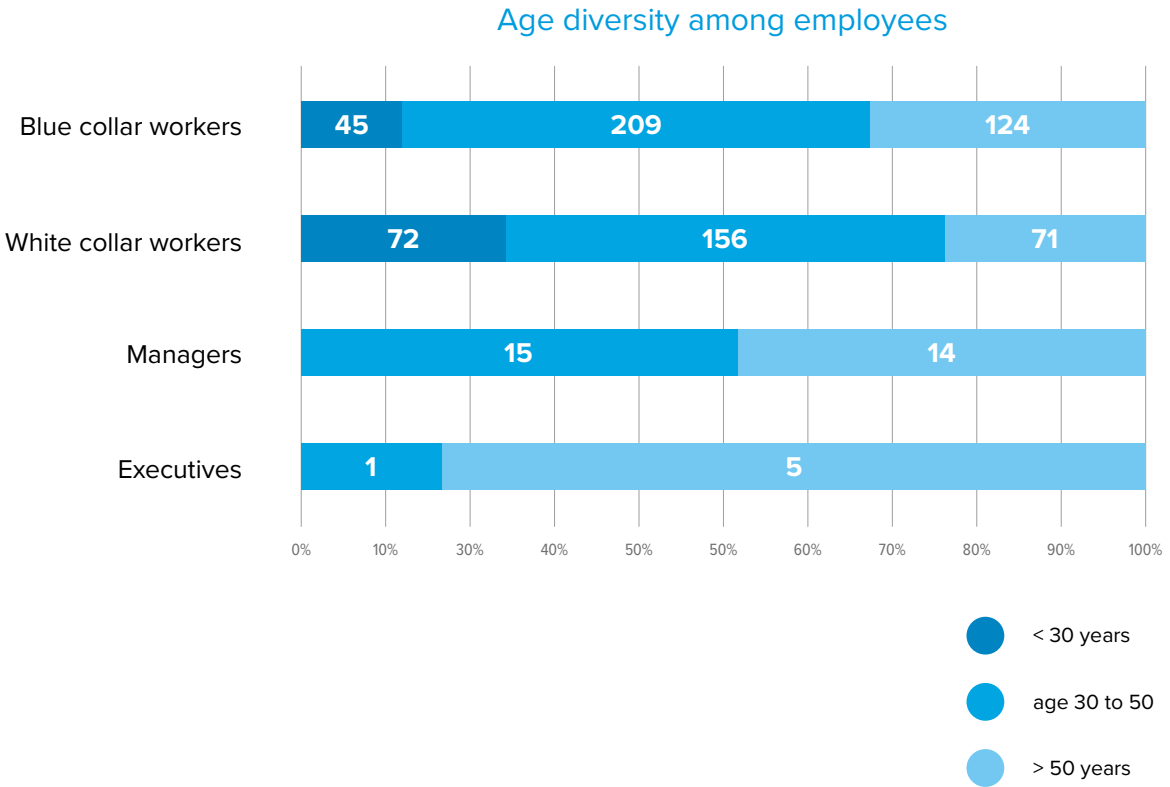
From the age point of view, white collar workers represent the highest percentage of resources under the age of thirty. As can be seen in the graphs below, this age group is the one with the highest recruitment rate.

This trend is due to the fact that to improve the selection and integration process, we focus on attractiveness, quality of selection and generational turnover.

More precisely, the resources hired in the reporting year are 147 people including 115 men (78%), 32 women (22%) and in total 80 blue collar workers, 60 white collar workers and 5 managers and 2 executives.

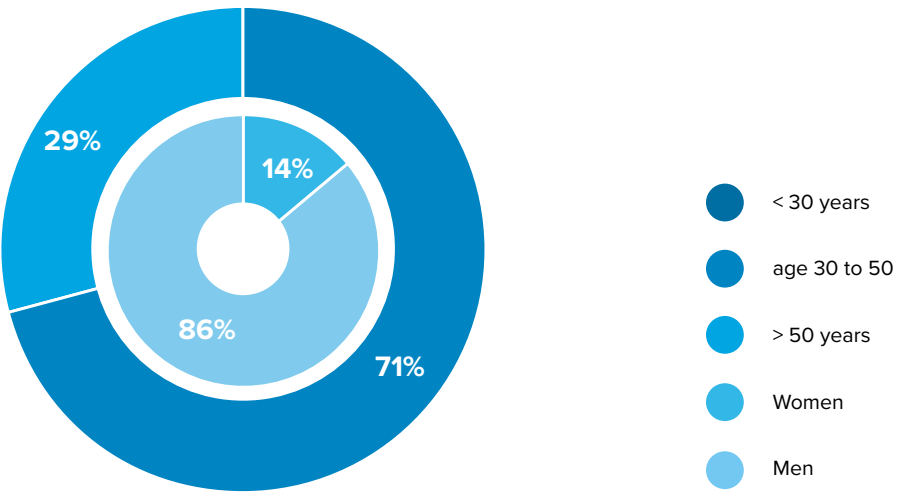
Of these, about twenty are of foreign nationality and mainly non-European: Bosnia and Herzegovina, Bulgaria, China, Egypt, Ghana, Guinea, India, Iran, Macedonia, Morocco, Moldova, Romania, Russia, Turkey and Ukraine.

For terminations, instead, the nationalities are Albania, China, India and Italy.



	MEN			WOMEN			% OF TOTAL		
	<30 years	age 30 to 50	>50 years	<30 years	age 30 to 50	>50 years	<30 years	age 30 to 50	>50 years
HIRES									
Executives	0	1	1	0	0	0	0	1	1
Managers	0	3	1	0	1	0	0	4	1
White collar workers	20	19	4	7	10	0	27	29	4
Blue collar workers	16	44	6	5	7	2	21	51	8
TOTAL	36	67	12	12	18	2	48	85	14
RECRUITMENT RATE ⁸			21%				41%	22%	7%
TERMINATIONS									
Executives	0	1	0	0	0	0	0	1	0
Managers	0	1	0	0	1	0	0	2	0
White collar workers	1	9	1	0	4	0	1	13	1
Blue collar workers	0	27	1	0	5	1	0	32	2
TOTAL	1	38	2	0	10	1	1	48	3
TERMINATION RATE ⁸			7%				1%	13%	1%

Diversity by age and gender
Board of Directors



8. The recruitment rate and termination rate are the ratio of the number of hires or number of terminations to the total number of people employed for the category in the reporting year

In 2023 we had a net growth in our staff, with a recruitment rate of 21% compared to 7% ⁹ of that of termination.

A positive turnover, aimed at hiring young people and people with diverse cultural backgrounds, is for us an indicator of sustainability in Governance. The integration of young talent, in fact, brings new ideas, energy and innovative perspectives, helping to maintain a dynamic and cutting-edge work environment. In addition, the promotion of multiculturalism is a key element to stimulate creativity and improve business flexibility in an increasingly interconnected global context.

We strongly believe in partnerships with schools and universities in order to create a training bridge between companies and schools and allow young students to carry out training during their studies. During the year we opened our doors to 9 schools, such as the “Negrelli” Technical Institute, the “Colotti” Commercial Technical Institute, the Borgo Valsugana Comprehensive Institute and the Belluno Mechatronic ITS, organising visits to the company.

As for universities such as Politecnico Milano, the Faculty of Engineering of the University of Padua and the Faculty of Economics in Trento, the collaborations range from thesis projects in the company, simulations of interviews and induction of recent graduates.

Last but not least, due to the levels of employment and the consequences of the COVID-19 health emergency, we have implemented the smart working project by offering the necessary IT tools and the possibility of using them for two days a week.

We apply the National Collective Labour Agreement (Contratto Collettivo Nazionale del Lavoro, CCNL) to all employees in the Metalworking Industry sector and have signed a level II agreement with the trade union representatives in order to guarantee more favourable conditions.

We have also adopted a welfare plan, which responds to the needs of workers and increases their individual and family well-being from an economic and social point of view. During the year, each employee was assigned a share of flexible welfare and the possibility of converting the amount of the result bonus obtained in 2022 into an additional share of welfare.

On our platform are initiatives related to all-round well-being, language courses, culture, entertainment, reimbursement of medical and utility expenses, social welfare expenses, school expenses, food and fuel expenses, and more.

We also focus on the health of our employees: we offer to cover supplementary health insurance, organise screenings (breast cancer screening) and arrange free courses for the antepartum and postpartum period.

As for the governing body and senior management, instead, we have adopted specific remuneration policies in line with our Group policies and objectives.

The approval of the majority of the Board of Directors is required for hires expected to receive a gross salary of more than 100 thousand euros, while the parent company Midea approves and verifies all salary changes once a year.

9. The recruitment and termination rates were calculated considering the total number of employees in 2023.

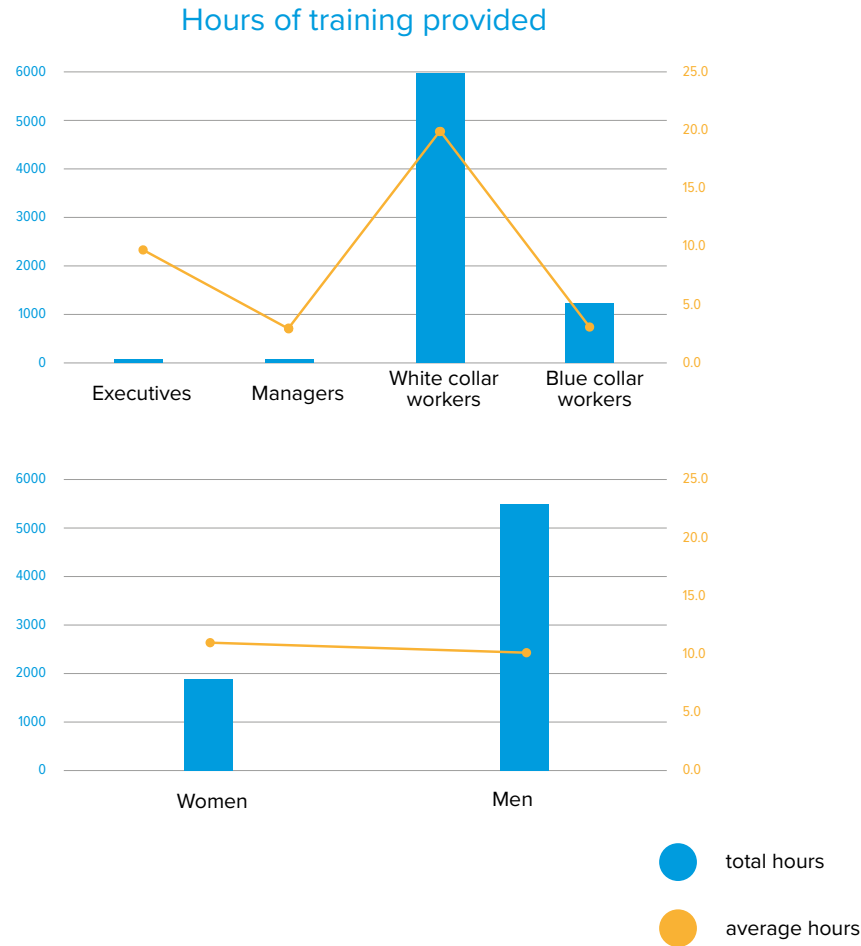
The deviation of the basic salary, net of bonuses, benefits, overtime and any additional allowances such as travel, food and lodging and childcare expenses for female and male employees does not show significant differences between the different categories of employees. Details are given in the table below.

WOMEN-TO-MEN BASE SALARY RATIO

EMPLOYEE CATEGORY	BASIC SALARY FOR WOMEN/MEN
Executives	97%
Managers	94%
White collar workers	89%
Blue collar workers	89%

The professional development of employees is a priority for us. Training is therefore a strategy for growth, to help bring out the best in our employees and further develop the expertise and competitiveness of our company. In 2023 we provided 7,317 hours of training to our employees, with an average of 10.3 hours per capita: 10 hours per capita for executives, 3 hours per capita for managers, 20 hours per capita for white collar workers and 3 hours per capita for blue collar workers. White collar workers receive the most training due to the nature of their duties.

Below are the hours of training provided by category of employee and by gender as of 31/12/2023.



We periodically assess the performance and professional development of our resources using an internal system adopted by the Group as a whole; the details of this process are given in the table below.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS ¹⁰

CATEGORY	PERCENTAGE OF EMPLOYEES ASSESSED
Executives	17%
Managers	93%
White collar workers	87%
Blue collar workers	0%
Total	41%

The Clivet University arranges regular training courses for our Pre-Sales, Sales and After-Sales organisation and for our local Partners on the products, applications and services. We also support the ongoing energy transition, actively training the professionals who collaborate with us as installers, maintenance technicians and designers, focusing mainly on heat pump technology.

Clivet University
Headquarters in Feltre (Belluno)



10. The percentage of rated employees is the ratio of the number of rated employees to the total category of employees in the reporting year. The gender ratio between Women and Men has not been calculated as the data are not available.

4.2 Occupational health and safety



Increasing company culture at all levels is a constant goal, not least in terms of health and safety, with the aim of **preventing and minimising risks**.

We have had an ISO 45001-certified health and safety management system in place since 2018, to ensure the maximum possible protection of our employees.

The EHS (*Environment, Health and Safety*) function is responsible for assessing hazards and risks through internal and legislative compliance audits, and the measures to be implemented are then defined accordingly.

Specifically, we have adopted procedures for the preventive analysis of the organisation of workplaces in accordance with Legislative Decree no. 81 of 2008 with the aim of verifying the presence of possible sources of risk and related hazards. We have defined the preventive and protective measures on the basis of this analysis, reporting the results in the Risk Assessment Document (RAD). We use the Risk Assessment Document to define and manage the risks, specifying roles, responsibilities and tasks, but also to plan measures for improvement. This document is updated on a regular basis and signed by the employer, the Health and Safety Officer, the company physician and the Workers' Safety Representatives.

To prevent or mitigate negative impacts on the health and safety of workers, we take an approach that aims to make all workers as aware as possible of their role through training, communication and internal audits.

Workers have different ways to report dangerous situations in the workplace, with the assurance that they will be protected from any form of retaliation. They may report these as follows:

- through their supervisor;
- to the Health and Safety Officer in person, by email, or via a web link;
- to the Supervisory Board (SB);
- on the portal set up for cases of whistleblowing.

In accordance with Article 20 of Legislative Decree 81/2008, the worker is required to report to his/her supervisor situations that may lead to injury at work or occupational diseases and, in the event of a serious emergency, to leave the workplace independently and without explicit authorisation.

We have prepared an **Emergency Plan** that includes evacuation processes and provides for an audible alarm system to signal the need for immediate evacuation of the workplace in hazardous situations such as gas leaks and fires. We use the “five whys” method to investigate any accidents and their causes, the operating methods adopted and the use of protective equipment. We then define the necessary measures for improvement at an organisational, operational, documentary or training level. We investigate both accident and near-miss events.

In 2023 we recorded ten injuries: five injuries due to wounds or sprains, three due to bumping or bruising, and two due to burns. In terms of duration, four of the recorded injuries lasted between 4 and 7 days, five between 8 and 14 days and one for more than 30 days. We have not recorded any occupational diseases and there have been no deaths resulting from occupational diseases.

ACCIDENTS AT WORK 2023 ¹	
EMPLOYEES	
Man hours worked	1,175,807
Recordable accidents ²	10
Serious injuries ³	0
Fatalities	0
Recordable accident rate	8.5
Serious injury rate	0.0
Fatal accident rate	0.0

The **accident frequency index** in the period 2021-2023 shows a constantly improving trend (-37% compared to the three-year average) although in 2022 there was a worsening due to very minor injuries (4-7 days) related to the induction of new hires. With a view to improvement and in order to progressively reduce the likelihood of these types of injuries occurring, Clivet is committed to improving the training for newly hired resources.

The results obtained confirm the positive attention to safety indicators in the long term.

During 2023, 40 corrective actions were identified to improve accident prevention and protection measures.

INJURIES	2021	2022	2023	% AVG 3Y
Frequency index ⁴	12	20	8.5	-37%
Severity index ⁵	0.16	0.27	0.10	-43%
Number of accidents	10	21	10	-27%

The appointment by workers of the Workers' Safety Representatives (WSRs) and the dissemination of instructions and system procedures on the safety bulletin board or on the company monitors and network encourage the same workers to help implement the health and safety management system and communicate relevant information.

As provided for in Article 35 of Legislative Decree 81/2008 and subsequent amendments, the employer meets with the company physician, the Head of the Protection and Prevention Service and the Workers' Safety Representative at least once a year to discuss problems related to company safety, and minutes are drawn up. In 2023, Clivet held a meeting on 4 March.

Training activities in the field of health and safety are carried out according to State-Regions agreements and, where appropriate, are organised internally on the basis of our work procedures and operating instructions, in a classroom or at the workplace and with the support of internal or external personnel.

Our occupational health services are provided to employees by a company physician who defines the health protocol according to the company risk assessment. The company regularly verifies that all employees have had medical check-ups and manages the resources on the basis of their suitability as assessed by the company physician.

1. Accidents were taken into account as follows: a) accidents since 01/01 of the reporting year; b) accidents that began in the previous year but that continue in the reporting year are not included in the count; c) accidents being contested. The following were excluded: a) injuries contested but already passed to INAIL; b) near misses. The count of days of injury excludes the day of the accident and the day of return to work
2. Injuries with a prognosis of more than 2 days, including serious injuries and fatalities. Accidents occurring while travelling are to be included only if the transport has been organised by the company.
3. Accidents that cause permanent disability (e.g. amputation of an arm), accidents with a prognosis of more than 6 months. Fatalities are excluded from the count. Accidents occurring while travelling are to be included only if the transport has been organised by the company.

4. Frequency index = (Number of Accidents * 1,000,000) / Total Hours Worked
5. Severity index = (Days Absent * 1,000) / Total Hours Worked

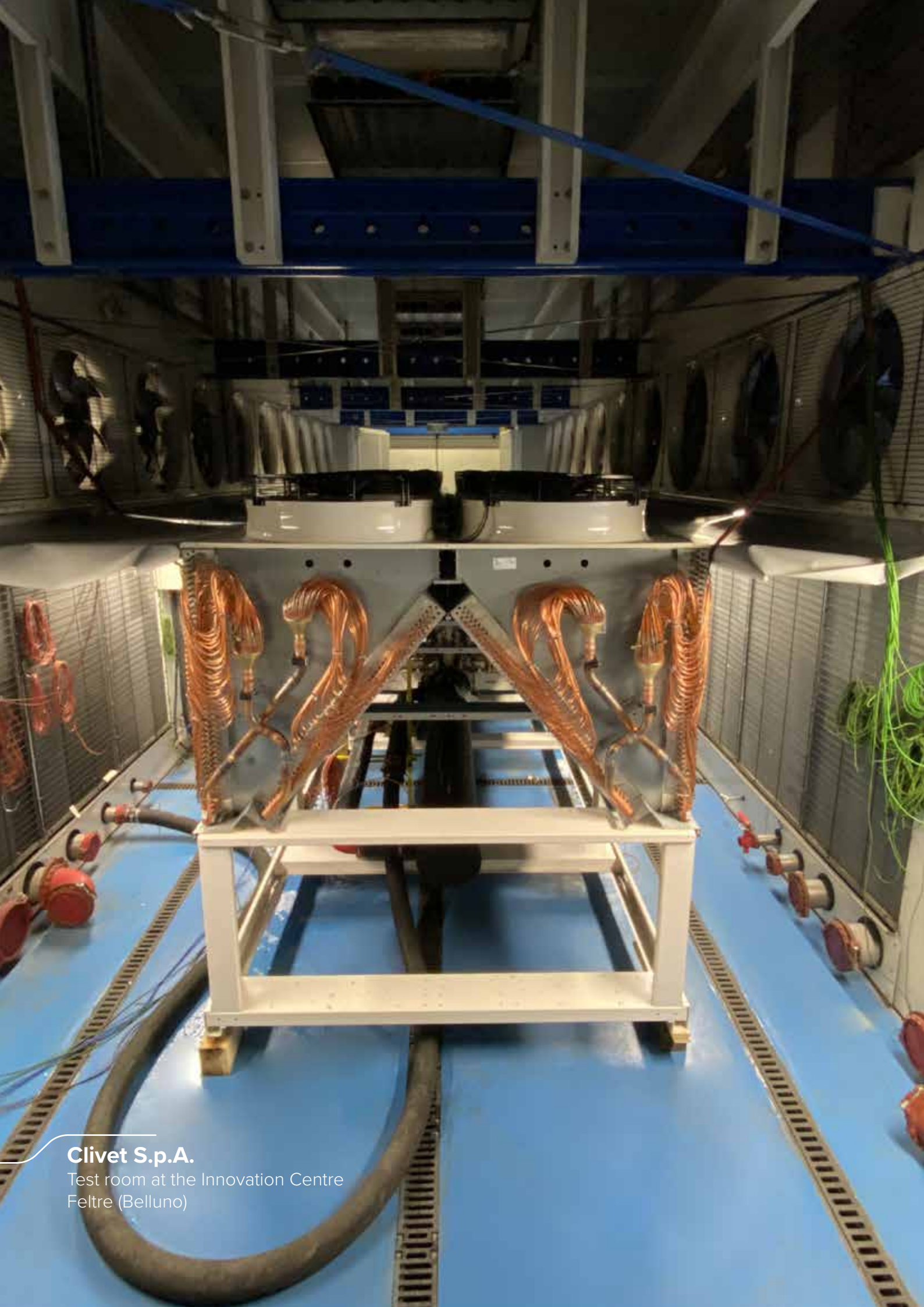


Clivet
Innovation Centre
Feltre (Belluno)

5.

Innovation, quality and
environmental protection





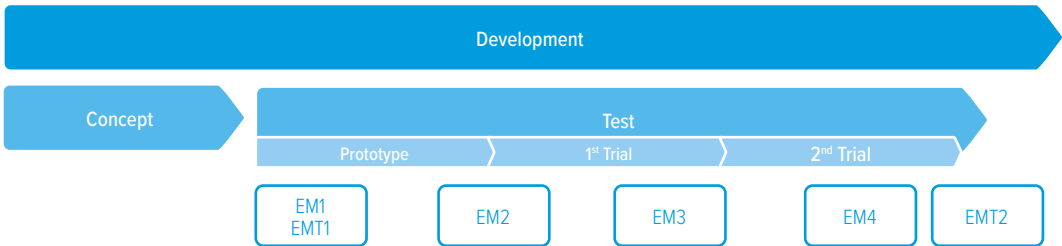
Clivet S.p.A.
Test room at the Innovation Centre
Feltre (Belluno)

5.1 Research and Development

The quality, safety and sustainability of our products can be attributed to careful research and technological innovation. Technological innovation and sustainability can be a powerful combination in responsible business management: for this reason, we carry out research on a daily basis with a view to reducing the environmental impact of our products at every stage of the life cycle.

The success of our company is also thanks to our ability to create innovative solutions. With our *Innovation Centre* and the *Clivet European Hub*, we can cultivate our passion for research and translate it into technological innovation to improve our products.

Our CEO has entrusted the development of new products to the **Research and Development Technical Department**, whose duties are shown in the diagram below.



After a product is launched, feedback from the market is analysed and any improvements are made accordingly. During the reference period, our Research and Development department focused on product quality, environmental sustainability and the extension of our range. The most significant investments have been in solutions that improve the energy performance of our products and systems in response to the growing demand of the market for efficient and environmentally friendly solutions: sustainable innovation.

In 2023, our Research and Development office in Feltre, which employs about 100 people, launched 19 projects in three thematic macro-areas:

1. High efficiency heat pumps with GWP low-impact refrigerant - new products not yet available on the market

Over 50 resources worked a total of 21,000 hours on the *Design and qualification of reversible heat pumps and multipurpose units with high levels of nominal and seasonal efficiency and that use R290, R32, R513A and R744 refrigerants (the latter is still being researched).*

2. High efficiency heat pumps with GWP low-impact refrigerant - existing products that use new technology developed by Clivet

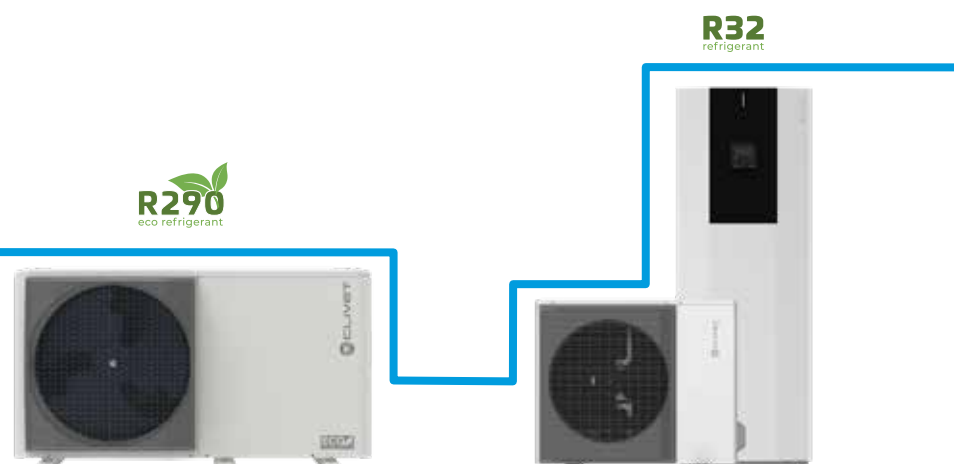
About 60 people worked a total of 33,000 hours on the *Design and qualification of reversible and cooling only heat pumps with high levels of nominal and seasonal efficiency for renewal of the range and with the use of R32, R290 refrigerants*

3. Technological innovation with a view to develop and improve controllers for industrial, commercial and residential units and cloud services

Four people worked a total of 4,000 hours on the *Design of control, monitoring and optimisation systems for residential, industrial and commercial installations with a view to reducing energy consumption and preventive maintenance*.

Our products are based on solutions with low global warming potential (GWP) and that preferably involve the use of natural refrigerant, in accordance with the European F-Gas Regulation and in the future perspective of the EU 2030 objectives, i.e. a transition towards a climate-neutral economy.

With this in mind, our desire to practice sustainability with a sense of responsibility has led us to begin a process of quantifying our impact potential, adopting the LCA (Life Cycle Assessment) method.



5.2 Production processes

Our products are mainly manufactured at our premises in Feltre, with the exception of those produced at the Verona plant (see chapter 1) and some products of the residential range that come from plants located in China.

Production is carried out against a purchase order. Depending on the type of product and/or the sector in which it will be used (commercial & industrial or residential), some items can be readily tailored to customers' specific needs or requirements, while others are standard ones available in stock.

At the end of the production process, all our products are tested to verify and guarantee their electrical safety, overall performance, hermetic seal of the refrigeration circuits, aesthetics and thermodynamic performance.

When new technical solutions or new versions of existing products are developed, the R&D Department carries out specific validation tests to verify their reliability.



Clivet S.p.A.
Production area
Feltre (Belluno)
Photo by Zanzottera

5.3 Technological innovation

We are aware of the importance of technological innovation to increase and improve the productivity of plants and beyond, and have therefore paid particular attention to the development of IoT (Internet of Things) technologies.

We have therefore embarked on some projects that fall within the field of 'Industry 4.0', i.e. automation and interconnection of the industrial process with the Group's IT system, and projects for the development of solutions for the monitoring and optimisation of centralised plants through the remote connection of our products to allow better control by our customers.

Since digital technologies now play an essential part in the development of complete and personalised products and services, we set up a Digital BU Department in 2020.

Between 2021 and 2023, we invested about 8 million euros in technological innovation. Specifically, the investments concerned:

- end-of-line tests: the business management software communicates with the testing station using the serial number of the unit produced, automatically setting the correct parameters of the tests to be carried out;
- test room and enthalpy tunnel: the business management software communicates with the laboratory using the job code of the item(s)/unit(s) to be tested, automatically setting the correct parameters of the tests to be carried out;
- painting department and panelling, punching and bending machines: the business management software communicates with all plants and machinery in sequence using the job order with a reduction of operations and errors, ensuring a reliable and controlled process.



Clivet S.p.A.
End-of-line testing
Feltre (Belluno)

5.4 High quality, sustainable products

For us, product sustainability also means ensuring the highest standards of quality and safety: we have obtained management certifications over the years that testify to our constant commitment in this area.

In 1996 we obtained, for the first time, certification of our integrated management system in compliance with the ISO 9001 standard.

Our **policy for quality, safety and the environment** puts these three elements first and foremost and states the following commitments:

- the desire to offer new, qualitatively superior products consistent with the new needs of customers;
- dedication to reducing environmental impact;
- growth and development thanks to continuous investments in research and development for "Green" products.

The Integrated Management System (IMS) has allowed us to implement a system for constant monitoring that includes the assessment of the health and safety impacts of our products. The Integrated Management System applies to the stages of design, research and development and each individual project implemented.

The purpose of the Integrated Management System is to guarantee control of the total conformity and quality of the products; it also extends to procurement for the qualification and regular evaluation of suppliers according to defined standards. Performance is assessed with particular attention to product defects and may include random inspections of supplier companies.

All the processes mentioned so far are also aimed at ensuring customer satisfaction which, together with product safety, represents one of our top priorities.

Labels are applied on our products that bear information on the content, the presence of substances that may have an impact on the environment or on the safety of people, and the method of disposal of the product and its impacts on the planet.

We have implemented some processes to measure customer satisfaction. We conduct product surveys to gather feedback from customers and thereby identify strengths and areas for improvement. The management of complaints and reports – implemented by the After sales area, which collects and examines all feedback and periodically analyses the most complex cases in collaboration with the Quality department – provides us with further ideas on how to listen to customers and understand their points of view in order to progress and improve.

5.5 Patents

We have started patenting our ideas to protect our business ideas. We have filed patents for:

- a modular grid system for outdoor heat pump units, which allows the production of standard components with a reduction of moulding elements and unused plastic components;
- a heat exchanger capable of producing a greater useful heating effect than multi-purpose heat pump units of the same type and potential;
- a method for reducing the number of defrosting cycles of a multi-purpose heat pump unit, improving its performance and energy efficiency;
- an active thermodynamic recovery, in air-to-air heat pump units, for increasing efficiency and simplifying construction.

5.6 Energy and Emissions

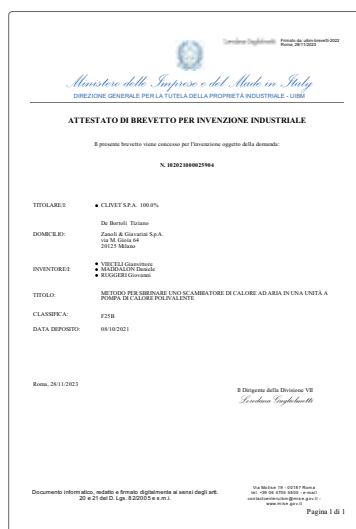
With regard to energy, Clivet S.p.A. uses renewable sources wherever possible and has installed photovoltaic systems to increase its self-production capacity. The first photovoltaic system, for the production of approx. 1,000 kWp, was installed in 2019 and a second one, with the same capacity, was installed in 2023.

The share of electricity produced decreased from 4,532.6 GJ in 2022 to 4,188.6 GJ in 2023.

Overall, in 2023 the internal energy consumption was 39,949 GJ, up 7.9% on 2022 due to an increase in the company fleet, the quantity of units produced, the internal natural gas painting plant, as well as the inclusion of the Milan plant in the perimeter for the year 2023.

Electricity purchased from the grid accounted for most of the energy consumed, at 51.4%.

The total electricity consumed was used to power the cooling and heating systems of the buildings and the operating and production systems, and 14.7% was self-produced using the photovoltaic panels at our site in Feltre. Of the 4,188.6 GJ produced by our photovoltaic system, 84.3% (3,532.9 GJ) was consumed internally, while the remaining 15.7% was sold.



Clivet S.p.A.
Installation of units produced with a patented defrosting method, and the relative Patent Certificate



Clivet S.p.A.
Photovoltaic panels
Feltre (Belluno) production plant

ENERGY CONSUMED WITHIN THE ORGANISATION [GJ]

	SOURCE	2022	2023
Consumption of fuel from non-renewable sources	Gas	451	771
	Fuel oil	54	43
	Diesel for vehicles	2,651	3,122
	Natural Gas	10,284	11,850
	LPG	1	1
	Coal	0	0
Consumption of fuel from renewable sources	Biomass or other fuels	0	0
District heating		0	80
Electricity consumed purchased from the grid		19,449	20,549
Self-produced electricity consumed		4,131	3,533
TOTAL ENERGY CONSUMPTION		37,020	39,949

One of the biggest challenges today is that of climate change. Clivet S.p.A., a conscious and responsible company, actively works to ensure that its human resources, processes and products fulfil the ESG principles, notably those concerning environmental issues. One such topic of note is that of combating climate change through the reduction of greenhouse gas (GHG) emissions, the main cause of the global climate crisis. Since 2022, we have been quantifying the GHG emissions related to our company's operations with the edition of the Organisational Carbon Footprint according to the UNI EN ISO 14064:2019 standard and the GHG Protocol. The study considers all the internal processes carried out by Clivet S.p.A. at its plants in Feltre, and from 2023 also in Milan, in addition to the external processes both upstream and downstream, from the supply of materials and raw materials to the production processes and the collateral and support activities, and lastly the sale and use of our products.

According to this study, our greenhouse gas emissions are mainly related to the use of our products over the years and marginally to the operation of our production plants.

For this reason, to combat climate change, we aim to reduce GHG emissions into the atmosphere by gradually transitioning towards the use of natural refrigerant gas and increasing our use of electricity from renewable sources.

In 2023, Scope 1, 2 and 3 emissions were approximately 8.202 million tonnes of CO₂ eq.

More specifically, the direct GHG emissions generated by Clivet whose source is owned or controlled by the company, or Scope 1 emissions, were about 1.2 thousand tonnes of CO₂ eq. These were mostly derived from the use of heating and cooling fuels within the company and for company vehicles.

Indirect GHG emissions from electricity consumption (or Scope 2 emissions) were about 1.9 thousand tonnes of CO₂ eq, according to the location-based method, which uses an average emission factor related to national power generation. According to the market-based method, which instead uses an emission factor that is based on the national residual mix, they were even lower and equal to about 2.6 thousand tonnes of CO₂ eq.

Compared to 2022, the sum of Scope 1 and 2 emissions increased by 11.3%, mainly as a result of the increase in consumption for the fleet and the production of fuels, in particular natural gas, and electricity.

The impact of Scope 1 and Scope 2 GHG emissions on the total is negligible.

Regarding indirect GHG emissions different from those of Scope 2 that are generated by the company's value chain (or Scope 3 emissions), the total value is 8.202 million tonnes of CO₂ eq, representing 99.96% of total GHG emissions.

Scope 3 emissions can in turn be divided into categories of more or less impact. It was found that the most significant Scope 3 emissions derive from the use of the product, and in particular from the specific sources of electricity used, which depend on the country of export and use of our products and the type and energy-consuming capacity of the installed unit.

	U.M.	2022	%	2023	%
DIRECT CONSUMPTION (SCOPE 1)					
Combustion of heating and air conditioning systems	tCO ₂ eq	595	0.008%	696	0.008%
Combustion for company vehicles	tCO ₂ eq	225	0.003 %	276	0.003 %
Fugitive emissions	tCO ₂ eq	241	0.003 %	144	0.002%
Emissions from land use	tCO ₂ eq	-	0.000%	147	0.002%
Total		1,061	0.013%	1,263	0.015%
INDIRECT CONSUMPTION (SCOPE 2)					
Electricity from the grid consumed	tCO ₂ eq	1,788	0.023%	1,904	0.023%
District heating	tCO ₂ eq	-	0.000%	4	0.000%
Total		1,788	0.023%	1,908	0.023%
INDIRECT CONSUMPTION (SCOPE 3)					
Upstream goods, materials and products	tCO ₂ eq	1,967	0.025%	1,801	0.022%
Downstream goods, materials and products	tCO ₂ eq	2,777	0.035%	2,492	0.030%
Emissions from purchased goods and materials	tCO ₂ eq	193,763	2.444%	169,215	2.063%
Making use of the products	tCO ₂ eq	7,722,948	97.423%	8,022,550	97.812%
Other	tCO ₂ eq	2,889	0.036%	2,755	0.034%
Total		7,924,344	99.964%	8,198,813	99.961%
GTOT	tCO ₂ eq	7,927,194	100%	8,201,984	100%

The emission factors used to calculate GHG emissions are reported in full in the Carbon Footprint analysis and summarised in an annex to this document.

Below are the contributions of CO₂ emissions of biogenic origin and the emission factors related to the emission categories reported:

CATEGORY	U.M.	2022	2023
Tonnes of biogenic CO ₂ - Scope 1	tCO ₂ eq	8	15
Tonnes of biogenic CO ₂ - Scope 2	tCO ₂ eq	622	657
Tonnes of biogenic CO ₂ - Scope 3	tCO ₂ eq	15,948 ¹	61,180
TOTAL	tCO ₂ eq	16,578	61,853

1. In 2022 the correct value would be 51,230.06 tCO₂eq. The emission factor was corrected in 2023.

In 2023, 10,286.7 tonnes were produced with an energy intensity equivalent to 3.88 GJ/t and a corresponding GHG Scope 1 and Scope 2 emission intensity of 0.31 t CO₂ eq/t.

With regard to nitrogen oxides (NO_x), sulphates (SO_x), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAP) and particulate matter (PM), the emissions analysis carried out once a year reveal that the emissions in mg/Nm³ are all lower than the limits imposed by Decree 152/2006 and AUA No. 111 of 19.10.2022 of the Province of Belluno.

	CATEGORY	EMISSION FACTORS		2023
SCOPE 1	Gas	2,097	Kg CO ₂ eq/litres	DEFRA 2022
	Fuel Oil & Diesel	2.512	Kg CO ₂ eq/litres	DEFRA 2023
	Natural Gas	2.004	t CO ₂ eq /1000 sm ³	Table of national standard parameters 2023 DEFRA 2023
	LPG	3.026	t CO ₂ eq/t	Table of national standard parameters 2023 DEFRA 2023
	HFCs (fugitive emissions)			IPPC - Regulation (EU) No. 517/2014
	R410A	2088	kg CO ₂ eq/kg	
	R-1234ze	7	kg CO ₂ eq/kg	
	R-134a	1430	kg CO ₂ eq/kg	
	R-32	675	kg CO ₂ eq/kg	
	R-407C	1776	kg CO ₂ eq/kg	
SCOPE 2	R410A	2088	kg CO ₂ eq/kg	
	R-513A	631	kg CO ₂ eq/kg	
	Location Based method	0.334	t CO ₂ eq/MWh	AIB supplier 2022, ISPRA
	Market-based	0.457	t CO ₂ eq/MWh	AIB residual mix 2022
	District heating	0,179	t CO ₂ eq/MWh	DEFRA 2023

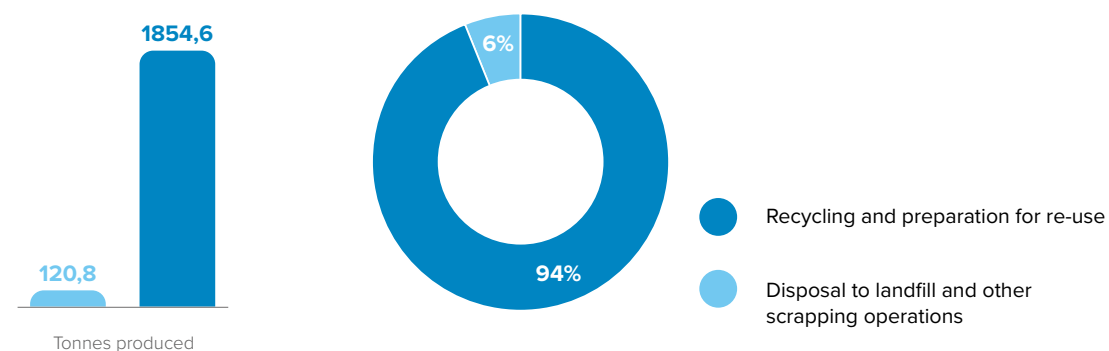
5.7 Waste

We know that waste management is a key topic in a responsible vision of the environment. This does not only mean proper recycling on the company premises. In fact, we also regularly fill in the loading/unloading records as required by law, thus tracking the waste produced and reporting it annually to the bodies with the Unified Environmental Declaration Form (Modello Unico di Dichiarazione Ambientale, MUD).

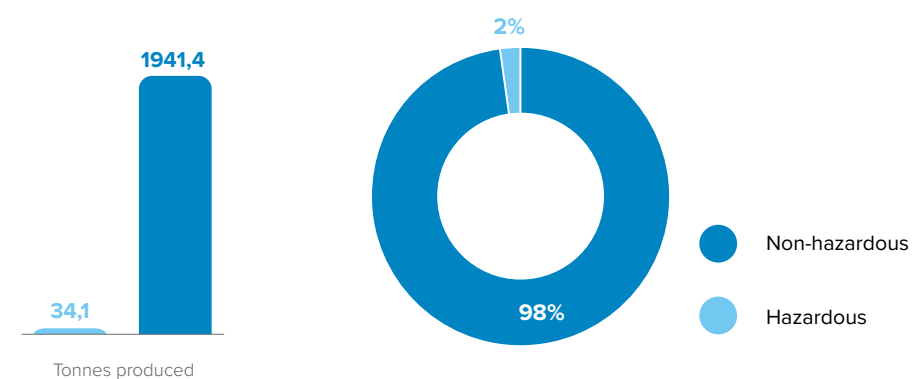
Of the total waste produced in 2023, 94% was destined for recycling and preparation for re-use; almost all of it, i.e. 98%, was non-hazardous waste as can be seen from the graphs below.

83% of our waste was delivered to plants with ISO 14001 and EMAS environmental certification. In the appendix of this chapter we have indicated the waste generated accompanied by the EWC code with the respective quantities, disposal (D) or recovery (R) operations with which they were sent to the destination plants.

Waste by type of destination



Hazardous waste



WASTE AS OF 31/12/2023

CER	Tonnes produced	Destination Code
150103	689.42	Incineration with energy recovery (R1)
120101	423.7	Preparation for re-use (R13)
150101	310.15	Preparation for re-use (R13)
170405	144.65	Preparation for re-use (R13)
160214	66.83	Preparation for re-use (R13)
120103	66.32	Preparation for re-use (R13)
150106	58.35	Other recovery operations (R2, R7, R8, R12)
161002	39.38	Other disposal operations (D2, D3, D4, D6, D7, D8, D9, D12, D13, D14)
150102	31.06	Other recovery operations (R2, R7, R8, R12)
170904	26.7	Transfer to landfill (D1, D5, D15)
200307	24.7	Other recovery operations (R2, R7, R8, R12)
150106	23.56	Transfer to landfill (D1, D5, D15)
120109*	15.9	Other disposal operations (D2, D3, D4, D6, D7, D8, D9, D12, D13, D14)
150102	13.1	Recycling (R3, R4, R5, R6, R9, R10, R11)
110111*	10.29	Other disposal operations (D2, D3, D4, D6, D7, D8, D9, D12, D13, D14)
160216	9.493	Preparation for re-use (R13)
170411	7.21	Preparation for re-use (R13)
170401	3.36	Preparation for re-use (R13)
120107*	2.23	Preparation for re-use (R13)
110113*	2.09	Other disposal operations (D2, D3, D4, D6, D7, D8, D9, D12, D13, D14)
150110*	1.99	Preparation for re-use (R13)
80201	1.81	Transfer to landfill (D1, D5, D15)
170802	0.71	Preparation for re-use (R13)
200201	0.61	Preparation for re-use (R13)
150111*	0.36	Preparation for re-use (R13)
150202*	0.35	Transfer to landfill (D1, D5, D15)
100207*	0.31	Transfer to landfill (D1, D5, D15)
160114*	0.31	Transfer to landfill (D1, D5, D15)
150203	0.19	Preparation for re-use (R13)
160601*	0.09	Preparation for re-use (R13)
80318	0.08	Transfer to landfill (D1, D5, D15)
200121*	0.08	Preparation for re-use (R13)
160508*	0.06	Transfer to landfill (D1, D5, D15)
160605	0.02	Preparation for re-use (R13)
180103*	0.003	Preparation for re-use (R13)

* Hazardous waste



6. Goals

6.1 2025 goals

2025

SECTOR	MATERIAL TOPICS	GOAL	TARGET TO 2025
ENVIRONMENTAL	Compliance and Business Integrity	Communication and training on anti-corruption policies and procedures	<ul style="list-style-type: none">• Revision of Code of Ethics & Model 231• Training for executives and department managers
	Emissions	Increase in sales for lower-emission products	Reach an average GWP sold of 650
	Product quality and sustainability	Assessment of negative environmental impacts in the supply chain	Sustainability assessment & rating for a cluster of 40 suppliers
SOCIAL	Worker welfare	Average annual hours of training	Average 12 hours per employee by business unit
GOVERNANCE	Product quality and sustainability	Environmental training with Clivet University	150 hours of external training in sustainability and circular economy



7. Methods for managing material topics

To simplify the reporting of management methods, our material topics have been aggregated into three macro-topics, which share the same management approach. One or more topics proposed by the GRI were associated with each material theme identified, selecting the most effective disclosures in the reporting of the company.

MACRO-TOPIC	PRIORITY TOPICS FOR CLIVET
1. GENERATION OF VALUE	Value and strength of the company
	Compliance and business integrity
	Risk management
	Research, development and technological innovation
	Customer satisfaction
2. SOCIAL RESPONSIBILITY	Health and safety at work
	Worker welfare
	Equal opportunities and diversity
3. RESPECT FOR THE ENVIRONMENT	Staff retention
	Emissions
	Product quality and sustainability

7.1 Processes that are common to all macro-topics

Motivations and boundaries

The material topics were identified by applying the principles for defining the contents of the report, as well as through the stakeholder engagement and materiality analysis activities described in more detail in the second chapter of the sustainability report.

For each topic we have identified the related potential business impacts and the perimeter in which they may fall:

- within the company boundaries with a greater influence on internal stakeholders;
- outside the company boundaries, thus mainly affecting external stakeholders;
- within and outside the company boundaries: the impact affects all stakeholders.

In the management of material topics, we take into account both the possible impact that may be caused directly and that which may be derived indirectly.

Management tools

Policies and commitments

Our company is managed in such a way that the social role of the company within society is recognised, above all thanks to the creation of innovative solutions to improve the quality of life and the environment.

We want to satisfy our customers by operating, however, always in compliance with current legislation. This is also possible thanks to the high quality of the products, guaranteed with strict controls during the production process. We have implemented an Integrated Management System for quality, environment and safety, certified according to the standards ISO 9001, ISO 14001 and ISO 45001.

This system represents an important tool to help company management achieve the goals of the business.

The Integrated Management System allows us to inform our employees and all interested parties of the principles that we intend to pursue on a daily basis: to act in full compliance with the requirements of the international standards ISO 9001, ISO 14001 and ISO 45001, and the legislation in force at national, regional and local level on the environment and employee safety.

We have also adopted Model 231 pursuant to Legislative Decree 231/2001 and the Code of Ethics, and with the publication of the sustainability report we want to demonstrate our willingness and commitment to embark on a responsible path in the three areas of sustainability: economic, social and environmental. This desire and commitment arose within the Board of Directors and company management, and then spread to all levels of the company.

Goals and targets

The goals and targets we set ourselves on our journey towards greater sustainability are described in this report. They are characterised by aspects of improvement in relation to the national legislation and will be monitored annually. More specific goals for improvement in terms of quality, environment and safety are identified and monitored in the respective management systems.

Resources

The responsibility for deploying human and financial resources lies with the Board of Directors and company management.

Complaint mechanisms

We have set up a whistleblowing system in compliance with Legislative Decree 231 of 2001, which anyone can use to submit reports. Reports can be submitted by email or on the [whistlelink.com](mailto:info@clivet.it) platform also in the form of voice messages. An in-house Ethics Committee manages the reports.

In addition, with the publication of this report, all stakeholders will be able to submit requests and complaints to info@clivet.it

Specific actions

We publish the sustainability report in accordance with the main international reference standards for reporting, the GRI standards. The following sections detail the specific actions we implement in the field of sustainability in relation to our material topics identified with the materiality analysis process.

Assessment of management

The results of audits on management systems and their annual reviews will be used to monitor the actual suitability of the management of material topics. The disclosures of the GRI standards covered in this report and subsequent reports will also be used to assess management.

Responsibility

The commitment to an increasingly sustainable approach unites the Board of Directors and company management, who also assume responsibility for managing positive and negative impacts, developing strategies, implementing policies, fulfilling commitments and achieving goals at Group level. The specific goals identified in the plans for improving the business management systems are to be achieved by those responsible for implementing these systems.

Generation of value

Motivations and boundaries

MATERIAL TOPIC	RELATED IMPACTS	MOTIVATIONS AND BOUNDARIES	MATERIAL TOPICS UNDER GRI STANDARDS	INFORMATION
VALUE AND STRENGTH OF THE COMPANY	<ul style="list-style-type: none"> Increased competitiveness of the company as it is perceived as a "solid" company Contribution to the economic stability of the company's employees Economic growth of the community through the hiring of local employees 	<p>The company's ability to generate economic value, and to redistribute it both within and outside the company.</p> <p>Any related impacts could take effect both inside and outside the company boundaries.</p>	GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed
COMPLIANCE AND BUSINESS INTEGRITY	<ul style="list-style-type: none"> Compliance with applicable legislation on corruption, competitiveness and taxation Compliance with applicable socio-economic and environmental legislation Improvement of the company's reputation as an "integral and ethical" company Contribution to the development of a more ethical and law-abiding society 	<p>Ensuring compliance with mandatory or voluntary standards by empowering employees and applying suitable models of organisation and management; achieving measurable, certified objectives in terms of performance and sustainability.</p> <p>Any related impacts could take effect both inside and outside the company.</p>	GRI 205: Anti-corruption 2016	205-3 Episodes of corruption found and actions taken
RISK MANAGEMENT	<ul style="list-style-type: none"> Increased competitiveness in the market for assessment of risks and opportunities Building of reputation and trust in the company 	<p>Before taking any action, assessing the risks and opportunities in the economic, social and environmental contexts for the company's operations and image.</p> <p>Any related impacts could take effect both inside and outside the company boundaries.</p>	GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed
RESEARCH, DEVELOPMENT AND TECHNOLOGICAL INNOVATION	<ul style="list-style-type: none"> Increasing the competitiveness of the company with the offer of innovative products Improving the company's reputation as an innovator Contribution to the transition to a low-carbon economy through the development of sustainable and innovative products 	<p>Research and innovation play a key role in making the company more competitive and encouraging continuous improvement.</p> <p>Any related impacts could take effect both inside and outside the company boundaries.</p>	-	No. of projects and resources used in research and development
CUSTOMER SATISFACTION	<ul style="list-style-type: none"> Lowering of business costs for managing customer satisfaction Improving customer relations and long-term profitability by building trusting relationships with customers Increased customer satisfaction also with regard to information security and privacy 	<p>Ensuring customer satisfaction by providing quality products and communicating in a prompt and transparent way</p> <p>Any related impacts could take effect both inside and outside the company boundaries.</p>	<p>GRI 416: Health and safety of customers 2016</p> <p>GRI 417: Marketing and labelling 2016</p>	<p>416-1 Assessment of the health and safety impacts by product and service categories</p> <p>417-1 Information and labelling requirements for products and services</p>

Management tools

Policies and commitments

Underlying every business activity is the creation of value, on which are based also the company's policies and commitments to stakeholders and its contribution to the local community. The sharing of the value we generate with our main stakeholders is essential for our company.

We scrupulously observe all the applicable standards in force. In addition, the policy for quality, safety and environment linked to the Integrated Management System includes, among other things, the commitment to ensure:

- The carefully monitored creation of value;
- The offer of new, qualitatively superior products consistent with the new needs of customers;
- Growth and development thanks to continuous investments in research and development for "Green" products.

Goals and targets

The goals and targets assumed for the material topics of this macro-topic are set as per the section *Processes that are common to all macro-topics*.

Resources

The staff and financial resources for the management of this macro-topic are identified by the management.

Complaint mechanisms

Customers can submit complaints via the *After Sales* service and in the customer surveys we carry out for regular assessments. This allows us to acquire feedback and implement corrective measures.

Specific actions

The Board of Directors implements and controls the corporate strategies and objectives that are identified at Group level, and thereby also assesses economic performance and analyses any risks and opportunities.

A Code of Ethics has been drafted that establishes the key principles, values and rules of conduct that govern the management of the company. In addition, Model 231 and the Integrated Management System guarantee an effective system of periodic checks; and the IMS is crucial for ensuring the high quality of our products to guarantee customer satisfaction.

Every year we launch a number of research and development projects to improve various areas such as the functionality and sustainability of products, and the efficiency of the production system.

Assessment of management

The mechanisms for assessing the management of the material topics of this macro-topic are developed as per the section *Processes that are common to all macro-topics*.

Responsibility

The responsibilities for managing the material topics of the macro-topic *Generation of value* are assigned as per the section *Processes that are common to all macro-topics*.

Management tools

Policies and commitments

The principles set in the integrated policy of our Company include the desire to ensure:

- The offer of new, qualitatively superior products consistent with the new needs of customers;
- The reduction and assessment of our environmental impact;
- Guaranteed growth and development thanks to continuous investments in research and development for “Green” products.

Goals and targets

The goals and targets assumed for the material topics of this macro-topic are set as per the section *Processes that are common to all macro-topics*.

Resources

The staff and economic resources for managing the topics are assigned by the Management.

Complaint mechanisms

The mechanisms for submitting complaints with regard to this macro-topic are developed as per the section *Processes that are common to all macro-topics*.

Specific actions

- We have adopted an Integrated Management System certified in accordance with ISO 9001, ISO 14001 and ISO 45001.
- The energy supply is aimed at reducing fossil sources through the purchase of renewable energy and the presence of a photovoltaic system for the self-production of energy.
- Greenhouse gas emissions are quantified by calculating the Organisation's carbon footprint in accordance with UNI EN ISO 14064:2019 and the *GHG Protocol*.

Assessment of management

The mechanisms for assessing the management of the material topics of the macro-topic *Respect for the environment* are developed as per the section *Processes that are common to all macro-topics*.

Responsibility

The responsibilities for managing the material topics of this macro-topic are assigned as per the section *Processes that are common to all macro-topics*.

7.2 Respect for the environment

Motivations and boundaries

MATERIAL TOPIC	RELATED IMPACTS	MOTIVATIONS AND BOUNDARIES	MATERIAL TOPICS UNDER GRI STANDARDS	INFORMATION
EMISSIONS	<ul style="list-style-type: none"> • Direct contribution to climate change due to the emission of greenhouse gases during the production process • Indirect contribution to climate change due to the emission of gases upstream and downstream of the production process 	<p>Conducting a business in a way that seizes opportunities to prevent and reduce emissions, with the aim of helping to mitigate climate change.</p> <p>Any related impacts could take effect inside and outside the company boundaries.</p>	<p>GRI 302: Energy 2016</p> <p>GRI 305: Emissions 2016</p> <p>GRI 306: 2020 Waste</p>	302-1 Energy consumed within the organisation
				302-3 Energy intensity
				302-4 Reduction of energy consumption
				305-1 Direct GHG emissions (Scope 1)
				305-2 Indirect GHG emissions from energy consumption (Scope 2)
				305-4 Intensity of GHG emissions
				305-5 Reduction of GHG emissions
				305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant emissions
				306-3 Waste produced
				306-4 Waste not destined for disposal
PRODUCT QUALITY AND SUSTAINABILITY	<ul style="list-style-type: none"> • Customer satisfaction and building the relationship of trust with the company • Development of products for the ecological transition 	<p>Supplying products that comply with the highest quality standards, including in terms of sustainability.</p> <p>Any related impacts could take effect inside and outside the company boundaries.</p>	<p>GRI 416: Health and safety of customers 2016</p> <p>GRI 417: Marketing and labelling 2016</p>	416-1 Assessment of the health and safety impacts by product and service categories
				417-1 Information and labelling requirements for products and services
				Presence of the integrated quality management system

7.3 Social responsibility

Motivations and boundaries

MATERIAL TOPIC	RELATED IMPACTS	MOTIVATIONS AND BOUNDARIES	MATERIAL TOPICS UNDER GRI STANDARDS	INFORMATION
HEALTH AND SAFETY AT WORK	<ul style="list-style-type: none">• Compliance with applicable health and safety legislation• Improvement of workers' health and safety conditions• Improvement of the company's reputation due to the absence of accidents at work	Protecting the health and promoting the safety of workers. Any related impacts could take effect inside the company boundaries.	GRI 403: 2018 Health and safety at work	403-1 Occupational health and safety management system
				403-2 Risk assessment and investigation of accidents
				403-3 Occupational health services
				403-4 Employee participation and communication on occupational health and safety
				403-5 Training on occupational health and safety
				403-6 Promotion of employee health
				403-7 Avoiding and minimising danger for business partners
				403-9 Accidents and days lost
				403-10 Work-related illness

MATERIAL TOPIC	RELATED IMPACTS	MOTIVATIONS AND BOUNDARIES	MATERIAL TOPICS UNDER GRI STANDARDS	INFORMATION
WORKER WELFARE	<ul style="list-style-type: none">• Increased employee satisfaction• Human and professional growth of employees	Promoting the well-being and satisfaction of workers through their professional development. Any related impacts could take effect inside the company boundaries.	GRI 401: Employment 2016	401-1 Total number of hires and turnover rate
			GRI 404: Training and education 2016	404-1 Average hours of training per year per employee 404-3 Percentage of employees receiving regular performance and career development reviews
EQUAL OPPORTUNITIES AND DIVERSITY	<ul style="list-style-type: none">• Appropriate selection of personnel, avoiding cultural prejudices related to gender or other personal orientations of workers.• Increased business productivity with the inclusion tool• Contribution to the development of a more ethical society	Improving the personal and cultural diversity of the company's workforce, suppliers and customers, avoiding discrimination and promoting inclusion. Any related impacts could take effect inside the company boundaries.	GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and among employees
STAFF RETENTION	<ul style="list-style-type: none">• Increased sense of corporate belonging among employees• Valuing the work of employees	Developing a culture and environment within the company that encourages workers to stay. Any related impacts could take effect inside the company boundaries.	GRI 404: Training and education 2016	404-1 Average hours of training per year per employee

Management tools

Policies and commitments

- The principles set in the integrated policy of our Company include the desire to:
- protect and value people, as worker safety is “an essential element for growth and in which all workers must be involved, as people represent the essence and soul of Clivet”;
 - engage and motivate employees at every level.

GOALS AND TARGETS

The goals and targets assumed for the material topics of this macro-topic are set as per the section *Processes that are common to all macro-topics*.

RESOURCES

The responsibility for allocating human and financial resources lies with management.

COMPLAINT MECHANISMS

The mechanisms for submitting complaints with regard to this macro-topic are developed as per the section *Processes that are common to all macro-topics*.

SPECIFIC ACTIONS

We are very attentive to the social repercussions and aware of the importance of this area. We have undertaken a variety of initiatives and some of those worthy of mention are:

- the adoption of a certified Integrated Management System to ensure maximum safety for employees;
- the introduction of a corporate welfare system for our employees;
- the adoption of supplementary health insurance and programmes in the field of health, such as screening and pre- and post-natal courses;
- the regular organisation of initiatives related to the well-being of staff in the cultural (e.g. language courses, shows) and economic fields (e.g. reimbursement of medical, school, utilities and fuel expenses).

ASSESSMENT OF MANAGEMENT

The mechanisms for assessing the management of the material topics of the macro-topic are developed as per the section *Processes that are common to all macro-topics*.

RESPONSIBILITY

The management is responsible for managing the topics relating to the area.



8. GRI content index

Statement of use	Clivet SpA has reported in accordance with the GRI Standards for the period 01/01/2023 - 31/12/2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organisational details	1.1, 1.2			
	2-2 Entities included in the organisation's sustainability reporting	2.1			
	2-3 Reporting period, frequency and contact point	2.1			
	2-4 Restatements of information	2.1			
	2-5 External assurance	2.1			
	2-6 Activities, value chain and other business relationships	1.2, 1.3			
	2-7 Employees	4.1			
	2-8 Workers who are not employees	4.1			
	2-9 Governance structure and composition	3.1			
	2-10 Nomination and selection of the highest governance body	1.2, 3.1			
	2-11 Chair of the highest governance body	3.1			
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2, 3.3			
	2-13 Delegation of responsibility for managing impacts	3.3			
	2-14 Role of the highest governance body in sustainability reporting	2.2			
	2-15 Conflicts of interest	3.1			
	2-16 Communication of critical concerns	3.1			
	2-17 Collective knowledge of the highest governance body	3.1			
	2-18 Evaluation of the performance of the highest governance body	3.1			
	2-19 Remuneration policies	4.1	Part of the requirements under 2-19 a and 2-19 b	Confidentiality constraints	
	2-20 Process to determine remuneration	4.1	2-20 a and 2-20	Confidentiality constraints	
	2-21 Annual total compensation ratio	-	2-21 a and 2-21 b	Confidentiality constraints	
	2-22 Statement on sustainable development strategy	Letter			
	2-23 Policy commitments	1.1			
	2-24 Embedding policy commitments	1.1, 1.2			
	2-25 Processes to remediate negative impacts	3.3			
	2-26 Mechanisms for seeking advice and raising concerns	3.1			
	2-27 Compliance with laws and regulations	3.2			
	2-28 Membership associations	1.2			

2-29 Approach to stakeholder engagement	2.2
2-30 Collective bargaining agreements	4.1

MATERIAL TOPICS

GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2	
	3-2 List of material topics	2.2	

Company value and solidity

GRI 3: Material Topics 2021	3-3 Management of material topics	1.1	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.4	

Corporate compliance and integrity

GRI 3: Material Topics 2021	3-3 Management of material topics	3.2	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	3.2	

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	5.6	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	5.6	
	302-3 Energy intensity	5.6	
	305-1 Direct (Scope 1) GHG emissions	5.6	
	305-2 Energy indirect (Scope 2) GHG emissions	5.6	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	5.6	
	305-5 Reduction of GHG emissions	5.6	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.6	

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GRI 3: Material Topics 2021	3-3 Management of material topics	5.7	
	306-3 Waste generated	5.7	
GRI 306: Waste 2020	306-4 Waste diverted from disposal	5.7	
	306-5 Waste directed to disposal	5.7	

Personnel Retention

GRI 3: Material Topics 2021	3-3 Management of material topics	4.1	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1	

Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	4.2		
	403-1 Occupational health and safety management system	4.2		
	403-2 Hazard identification, risk assessment, and incident investigation	4.2		
	403-3 Occupational health services	4.2		
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	4.2		
	403-5 Worker training on occupational health and safety	4.2		
	403-6 Promotion of worker health	4.2		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2		
	403-9 Work-related injuries	4.2	data relating to non-employee workers	Information unavailable/incomplete
	403-10 Work-related ill health	4.2		
Employee Welfare				
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1		
	404-1 Average hours of training per year per employee	4.1		
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	4.1	gender data	Information unavailable/incomplete
Equal Opportunities and Diversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1		
	405-1 Diversity of governance bodies and employees	4.1		
GRI 405: Diversity and Equal Opportunities 2016	405-2 Ratio of basic salary and remuneration of women to men	4.1	remuneration	Confidentiality constraints
Product Quality and Sustainability and Customer Satisfaction				
GRI 3: Material Topics 2021	3-3 Management of material topics	5.4		
	416-1 Assessment of the health and safety impacts of product and service categories	5.4		
GRI 416: Health and safety of customers 2016				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	5.4		

