

COHiRef



**SUSTAINABILITY
REPORT**

2023



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LETTER TO THE STAKEHOLDERS

Alberto Salmistraro



“We have become accustomed to thinking in terms of reaction and much less in terms of action, thus preventing things rather than reacting at a later stage.”

“As digital is here to stay, it must be integrated with urban development.”

“Sustainability is not one of the possible paths we can take, it is indeed the only possible path we can follow to enable the next generations live in a world like the one we live in today”

MAURO MANTOVAN – TEDX CORTINA – 27 NOVEMBER 2021

We would like to welcome our customers, suppliers, employees, investors and anyone interested in the first edition of HiRef's Sustainability Report by quoting and remembering the founder, Mauro Mantovan.

On the previous page are a few sentences reflecting the three fundamental pillars on which the company was created: innovation, digitisation, sustainability.

Since its foundation in 2001, we have been striving to stand out in the cooling industry, bringing about solutions that not only meet our customers' needs from an efficiency and reliability perspective, but do so with the lowest possible environmental impact. This commitment has resulted in the development of innovative air conditioning systems for data centers, the service sector and telecommunications, being industries that play a key role in the transition to a sustainable digital economy.

Our vision of sustainability extends far beyond the realm of technology.

As we recognise our role within the community and industry ecosystem, we have increased our efforts to ensure that ethical and social responsibility underlies every action we take. By supporting local training and education endeavours and adopting working practices that promote inclusion and diversity, we are committed to ensuring that HiRef's values are positively reflected in the lives of the people who work with and for us.

Sustainable innovation has proven to be a real driver for development and growth, allowing us to stand out in a highly competitive industry and to be acknowledged as a reliable and visionary partner by customers all over the world.

While we look back on our achievements with pride, we are aware that the journey towards sustainability is virtually a never-ending one, requiring constant dedication and renewal. With this in mind, this report does not only set out to provide insights into the goals achieved so far, but it also reflects our commitment to future challenges. It is with a spirit of renewed determination that we will continue to work, every day, to ensure that our social, economic and environmental contribution is increasingly significant and positively impactful.

In conclusion, I wish to extend my sincere appreciation to those who believe in this project every day, for their unfaltering support and unwavering trust. It is only through our shared commitment that we can build a sustainable future for the generations to come.

Thank you for sharing this important journey with us.

ALBERTO SALMISTRARO
CEO - HIREF S.P.A.

 HiRef

1. ABOUT US



1.1 GROUP PROFILE

1.1.1 HISTORY

Our drive towards **innovation** and **customer satisfaction** has led us to become what we are today: future-oriented, always looking beyond the standards. From the outset, HiRef's value proposition featured a range of highly customisable services and products, making tailor-made solutions our winning strategy. **The goal was clear: to become an innovation leader in the promising field of Information Technology cooling systems.**

In October 2001, Mauro Mantovan – with the support of the Galletti family – founded HiRef S.p.A, an innovative company specialising in cooling solutions for technological infrastructures, choosing the heart of the industrial district specialising in refrigeration as its location.

This sector was expanding, with few competitors and a strong focus on innovation, paying special attention to facility overheads. This allowed the market to welcome a value proposition focused on energy efficiency, a concept that, in the years to come, would be integrated into the broader context of environmental and economic sustainability.

In the same year that HiRef S.p.A. was founded, our know-how was integrated with Tecno Refrigeration S.r.l., specialising in commercial refrigeration.

In 2007, several milestones enhanced the history of the Group. Specifically, Eneren S.r.l., specialising in geothermal energy and renewable energy, and IT.Met S.r.l., dealing with sheet metal working, were established. At the same time, HiRef S.p.A. moved to its new headquarters in Tribano, in an 8,000 square metre building. In the same year, the development of inverters in the CCAC landscape got underway, a real innovation in the HVAC sector at the time.

Shortly afterwards, the Data Center Lab was built, where performance tests of different product ranges were carried out.

2001

2003

2003 saw the PED certification for the design, manufacture and servicing of air-conditioning and refrigeration machinery and systems. Soon after, we obtain ISO 9001 certification.

2007

2011

A few years later, in 2011, HiDew S.r.l. was established, affording the Group the opportunity to specialise in the dehumidification sector. Then, the first projects with the use of CO₂ as a natural refrigerant began. This turned out to be an extremely revolutionary and 100% green solution, and, shortly afterwards, the test area was expanded with the LowT Lab, a climatic room in which extreme temperature conditions (down to -50°) were recreated to **simulate the long life durability tests** of the components and the future operating conditions of the units.

2013

In 2013, we supplemented our know-how in design and production of electrical switchboards with Ecat S.r.l., which specialises in the production of power and distribution switchboards for industrial automation and the refrigeration sector.

2014

In 2014 HiRef became a Supporting Partner of the CUOA foundation, one of the most important business schools in Italy, a key partnership for the development of the in-house management class. Shortly afterwards, we began the applied study of electricity generation by Organic Rankine Cycle (ORC) in university research projects. In the same year, we obtained the **F-gas certification**, which is required for the management of equipment and installations with fluorinated gas emissions, so as to certify the quantity produced each year and transmit it to the Ministry for the Environment and Energy Safety.

2018

In 2018, the **creation of Hyper Lab** got underway and we further expanded the test area with Data Lab, specifically for rack coolers and DataBatic.

2019

HiRef offering is completed in 2019 with HiRef Engineering S.r.l.—company created for consultancy to designers and general contractor services.

2020 was a year of tremendous innovation and expansion, enabling the company to reach astounding levels of performance.

- In our research projects, we integrate the applied study of Liquid cooling technology;
- In the middle of the Covid19 lockdown, we opened the HiRef2 production plant with increased production of Chiller and DataBatic, spanning more than 3,800 square metres and leading to a turnover in excess of 7 million in the same year;
- With more than 35 new hires in less than a year, **our Group boasted over 330 employees** and acquired a new identity: #HiWorld is the name chosen for the face of the Group;
- We are adopting more and more low GWP refrigerants than in 2019, +25% to be precise;

2020

2021

In 2021, we presented our new Brand Identity on the occasion of the Company's 20th anniversary, and in the same year we become a Dedicated Supporting Member of the Friends of the University of Padua Association. We also obtained **environmental certification ISO14001** for the design, manufacture and servicing of air-conditioning and refrigeration machinery and equipment, through brazing, welding and testing processes.

2022

In 2022, our organisation underwent a renovation process with the **implementation of a new governance** system and were proudly ranked among the Top 500 best companies in North-East Italy.

2023

In 2023, work started on the **new production plant**, operating alongside the existing plant.

This 2023 edition of the Sustainability Report was drawn up exclusively with reference to HiRef S.p.A., while providing an overview of the group to which it belongs.

1.1.2 HIREF VALUE PROPOSITION

We offer air conditioning solutions for technological, industrial, IT and service environments designed to go beyond standard concepts.

Our product portfolio includes:

- **Perimeter mounted units**
- **Heat pumps**
- **Chillers**
- **High-density air conditioning systems**
- **IT infrastructures**
- **Rooftop systems**
- **Air-to-air evaporative air conditioning systems**
- **Shelter air conditioning systems**
- **Heat sinks**

Services:

- **Customisation**
- **Factory Acceptance Testing (FAT)**
- **Control and monitoring**

Our products stand out for their **high level of efficiency**, leaving no room for waste.

Since our very beginnings, the possibility of having an actual positive impact on society has been an exciting prospect for all of us, driving us towards a world of ever new opportunities. Our goal is to find the most efficient and sustainable cooling solution by overcoming any obstacle.

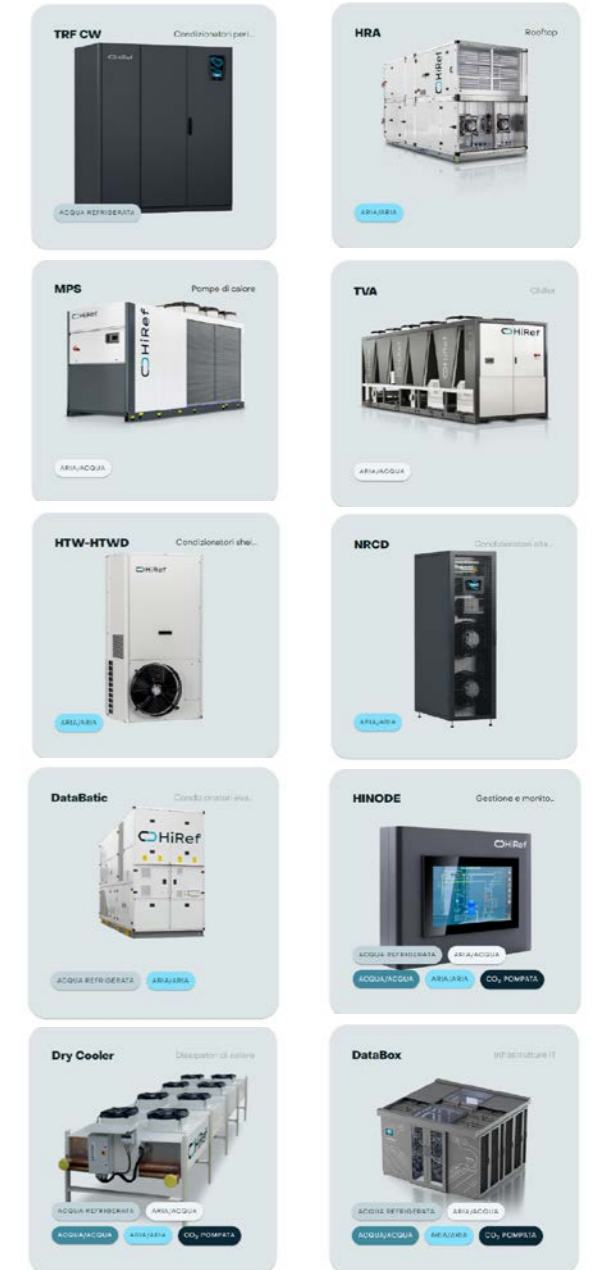
We believe that, in order to actually achieve environmental and economic sustainability goals, it is essential to design solutions around the real needs of our clients.

We are committed to technological innovation - to increasingly reduce energy consumption without affecting performance. We want our customers to be able to demonstrate that they effectively reduced their environmental impact thanks to our solutions.

Our commitment in a nutshell:

1. **We propose innovative energy utilisation solutions designed to improve the total cost of ownership (TCO).** Before using a specific air conditioning system, we calculate the direct and indirect costs associated with the chosen product and technology, to determine the resulting financial benefit for our customer over time. This is a key step that allows us to analyse the costs to be actually incurred by that customer after the initial purchase cost.
2. **We develop new products based on highly efficient technological solutions, using low environmental impact refrigerants and smart control and monitoring systems.** And we don't stop at that: we integrate our systems into the infrastructure as a whole for heat recovery and reuse of the energy produced - to the benefit of the customer and the ecosystem. In the Data Center segment, we are committed to reducing Power Usage Effectiveness (PUE): a parameter that measures the energy efficiency of a Data Center, inversely proportional to efficiency (the lower the PUE, the

higher the efficiency). Throughout the HiRef supply chain, we observe the highest levels of safety, healthiness and environmental protection. We monitor the supply chain with increasing attention to sustainability.



"We choose innovative technologies that reduce the direct and indirect environmental impact generated by air conditioning, heating and cooling processes, with the aim of building a sustainable future for us and the generations to come."

1.2 HIGHLIGHTS



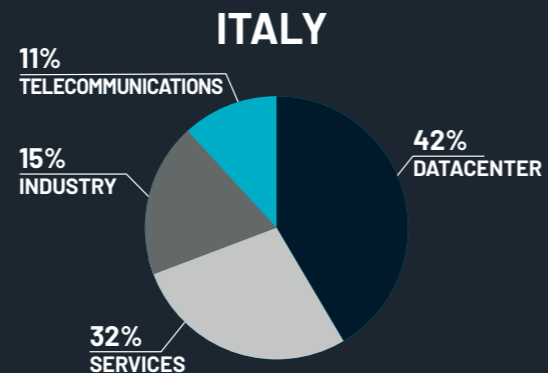
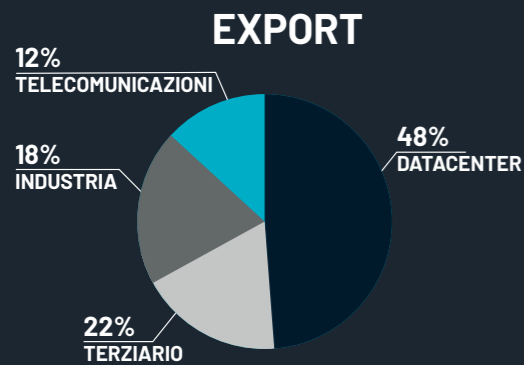
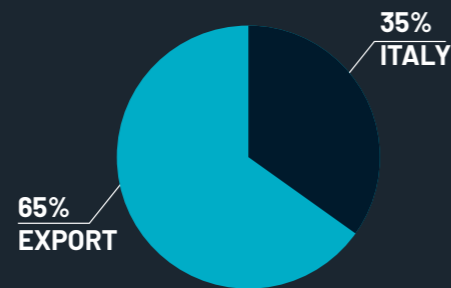
HiRef has 223 employees, their average age being 40. (figure as at 31 December 2023)

€ 71 M HiRef S.p.A.'s turnover in 2023, +36.22% over 2022

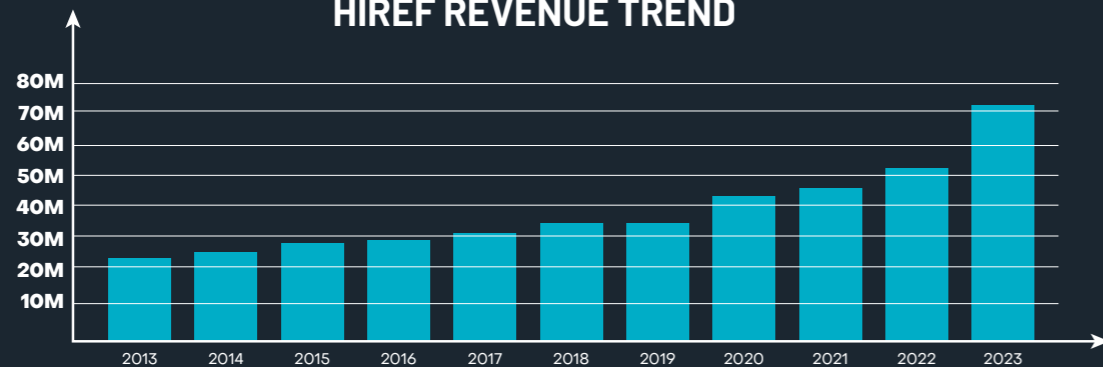
€ 110 M* AGGREGATE TURNOVER +30.9% over 2022

* Aggregate turnover (non-consolidated amount) includes all group companies: HiRef, HiDew, IT.Met, Eneren, Tecno Refrigeration, HiRef Engineering, Ecat.

1.2.1 BREAKDOWN OF HIREF'S REVENUES BY PRODUCT LINES AND MARKETS



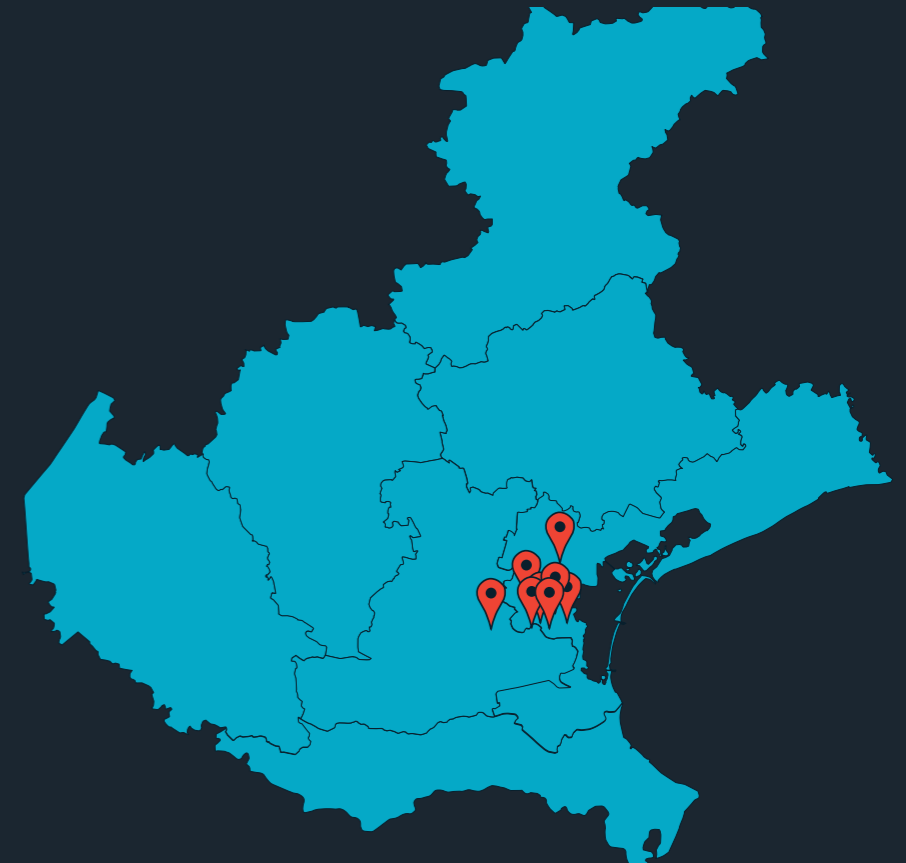
HIREF REVENUE TREND



1.2.2 EXPANSION: FIGURES AND PRODUCTION SITES

We started in 2001 in a 2,500 square metre production site with an investment of € 260,000.

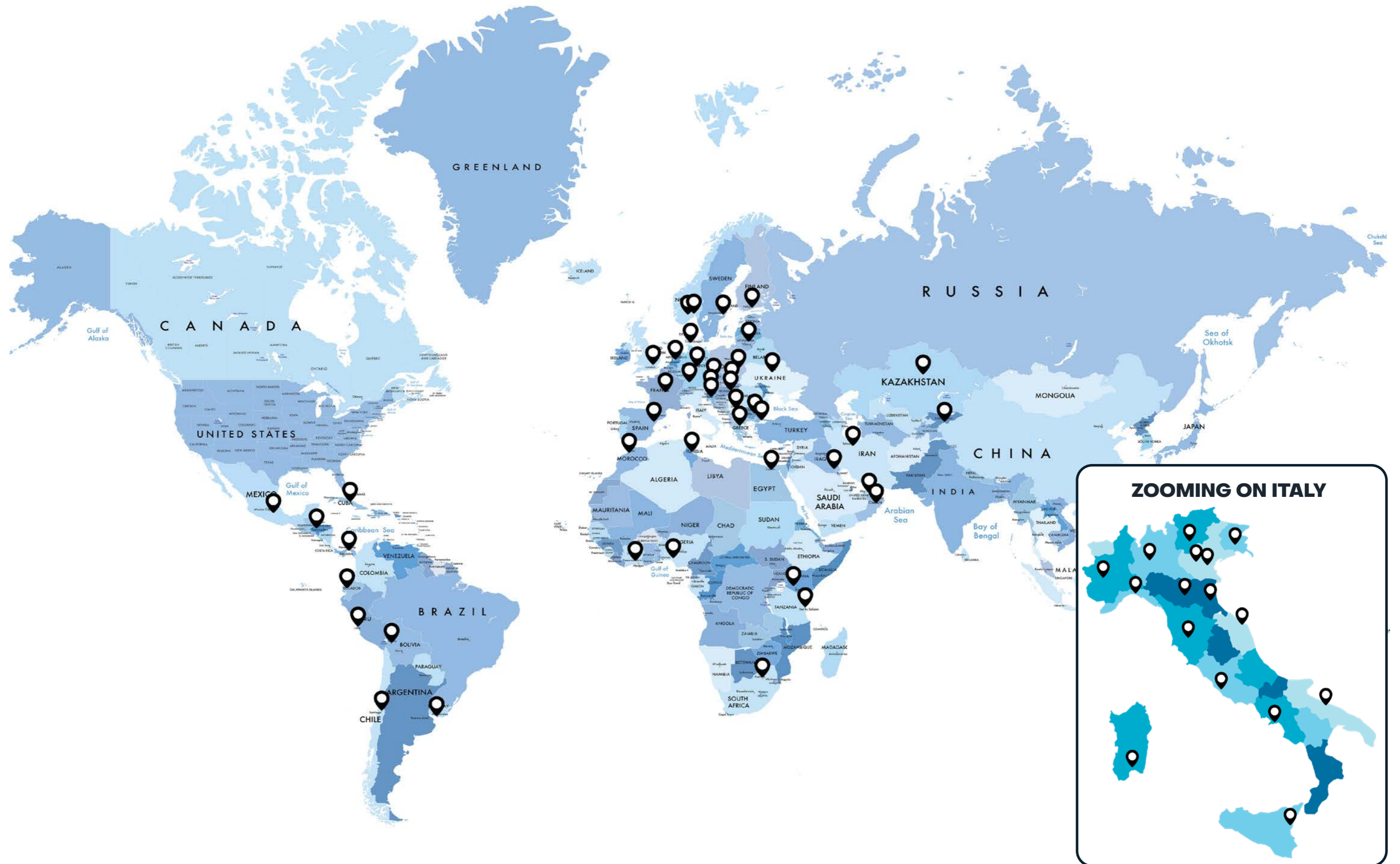
We are now a group of companies working synergistically in 8 different production sites with an aggregate turnover of € 110,632,200 (excluding foreign subsidiaries), showing an increase of 30.9% over the previous year.



The goal being pursued in 2024 is to inaugurate the new HiRef facility, which includes both a new office area and an area dedicated to production, resulting in the creation of around 40 new jobs.



1.2.3 OUR PRESENCE IN THE MARKET



1.3 MISSION, VISION, VALUES

1.3.1 OUR WHY

«We continuously improve technologies, mitigating their (direct and indirect) environmental impacts, in order to build a sustainable future for generations to come.»



1.3.2 MISSION

We are committed to innovation with a view to developing state-of-the-art technological solutions. We work closely with our customers to offer customised projects that meet even the most specific requirements. Working closely with the companies that are part of our Group, we integrate skills gained in a whole range of sectors to provide a comprehensive and specialised approach, with HiRef acting as the main partner. We are driven by the aspiration for constant improvement, aiming to build strong and valuable relationships with all our partners.

1.3.3 VISION

«We see a future in which the Heat, Ventilation, Air Conditioning and Refrigeration (HVAC&R) technologies landscape will play an increasingly key role in sustainable development, preserving resources for generations to come and offering them the opportunity to achieve their own personal evolution.»



1.3.4 VALUES: HOW WE BEHAVE IN DEALINGS WITH OUR EMPLOYEES

“We value talent and skills.”

WE VALUE TALENT AND SKILLS

We are committed to **recognising and nurturing the talents of each worker** and building or strengthening their skills in the workplace and their professionalism. Over the years we have invested in our partners' technical and entrepreneurial abilities, opening the way to the creation and growth of start-ups complementary to HiRef's business, to **enhance the value of the acquired know-how and promote expertise internally.**

INCLUSIVENESS AND MERITOCRACY

We adopt a proactive attitude and act in an inclusive manner, **favouring the participation of our employees in corporate life, offering equal opportunities and giving everyone the chance to express themselves** in sharing ideas and proposals that can enhance the company's business internally and/or externally.



1.3.5 VALUES: HOW WE BEHAVE IN DEALINGS WITH OUR CUSTOMERS

“We act as consultants for unique, often co-designed solutions. We endeavour to keep abreast of new developments to act as blueprint for technological innovation.”

CONSULTANTS IN DESIGNING THE BEST SOLUTION FOR CUSTOMERS AND THE ENVIRONMENT ALIKE

Our strength is the ability to **understand needs and translate them into unique solutions**, often co-designed, meeting actual requirements and ensuring the utmost efficiency for every facility – with **a positive impact** on management costs for the customer and **on the environment.** Customer focus is pursued with transparency and professional attitude.

TECHNOLOGICAL BLUEPRINT

We love challenges. That's why we constantly strive to overcome limits and standards, making cultural and intra-sectoral contamination into a great source of inspiration, to find new ideas and test innovative approaches to the development and application of technologies. We are acknowledged **early adopters of technologies**, valued for our flexibility in implementing them. We choose customers and suppliers who share our values, with whom we can develop projects with a strong innovative nature and a sustainable perspective.

“We invest in lasting relationships for the creation of common value. We build relationships based on transparency, practicality and empathy.”



1.3.6 VALUES: HOW WE BEHAVE IN DEALINGS WITH OUR SUPPLIERS AND PARTNERS

WE INVEST IN LASTING RELATIONSHIPS FOR THE CREATION OF COMMON VALUE.

We are committed to building **solid relationships** over time with our partners and suppliers, based on transparency and solidity. In many cases, this allows us to develop **business** opportunities in a synergistic way for both parties.

FOCUS ON SOLUTIONS

We research and develop innovative technology solutions in cooperation with key suppliers.

Our goal is to find the most efficient and sustainable solution by overcoming any obstacle.

1.4 OUR BUSINESS MODEL

1.4.1 BUSINESS MODEL

Right from the outset, HiRef's value proposition has stood out for its focus on satisfying customer needs by providing customised solutions through tailor-made rather than catalogue-based designs.

A strong drive for offer customisation – which in recent years has been applied to as much as 78% of our products – will only prove successful if key processes are part of the company's processes and are not outsourced: around 3% of turnover is reinvested in R&D endeavours, mechanical and electrical design and the **development of machine/plant control software** are carried out "in-house" within HiRef's technical department, while product assembly and performance tests are conducted in the Tribano plant, in the province of Padua, Italy. With this in mind – i.e. identification of customers, analysis of their needs, and submission of an appropriate value proposition – we have over time identified strategic business areas in data center cooling, industrial process cooling, high-end comfort (marketed under the Eneren brand) in both the commercial and residential segment, and district heating.

1.4.2 BUSINESS INCUBATOR

In the pursuit of this business model, HiRef has chosen to capitalise on **specific skills and know-how**, acting, over time, according to a mechanism known as **Corporate Entrepreneurship**: enhancing the entrepreneurial skills of employees through the budding of independent businesses that engage in different HVAC&R and component sectors. The establishment of new companies, owned by or in which HiRef holds an interest, allowed further opportunities to be seized:

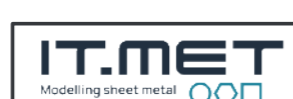
- **Economies of scale** in the procurement process of raw materials and basic components
- **Greater group-wide economic/financial stability**
- **Integration of products and services** into a comprehensive market offer
- **Talent empowerment**
- **Synergies** with the customisation-focused business model
- **Market diversification**



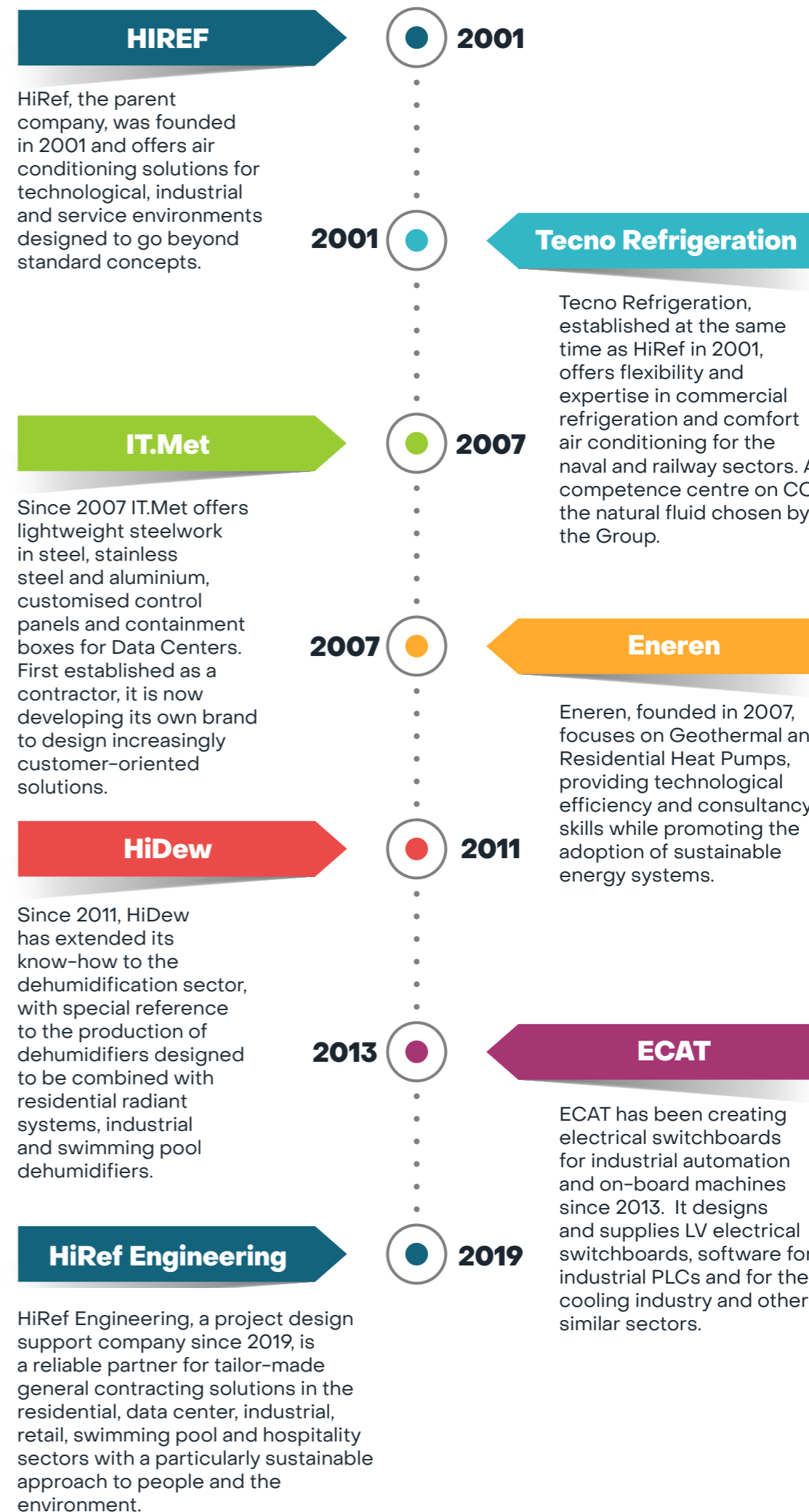
HiWorld

Gruppo HiRef

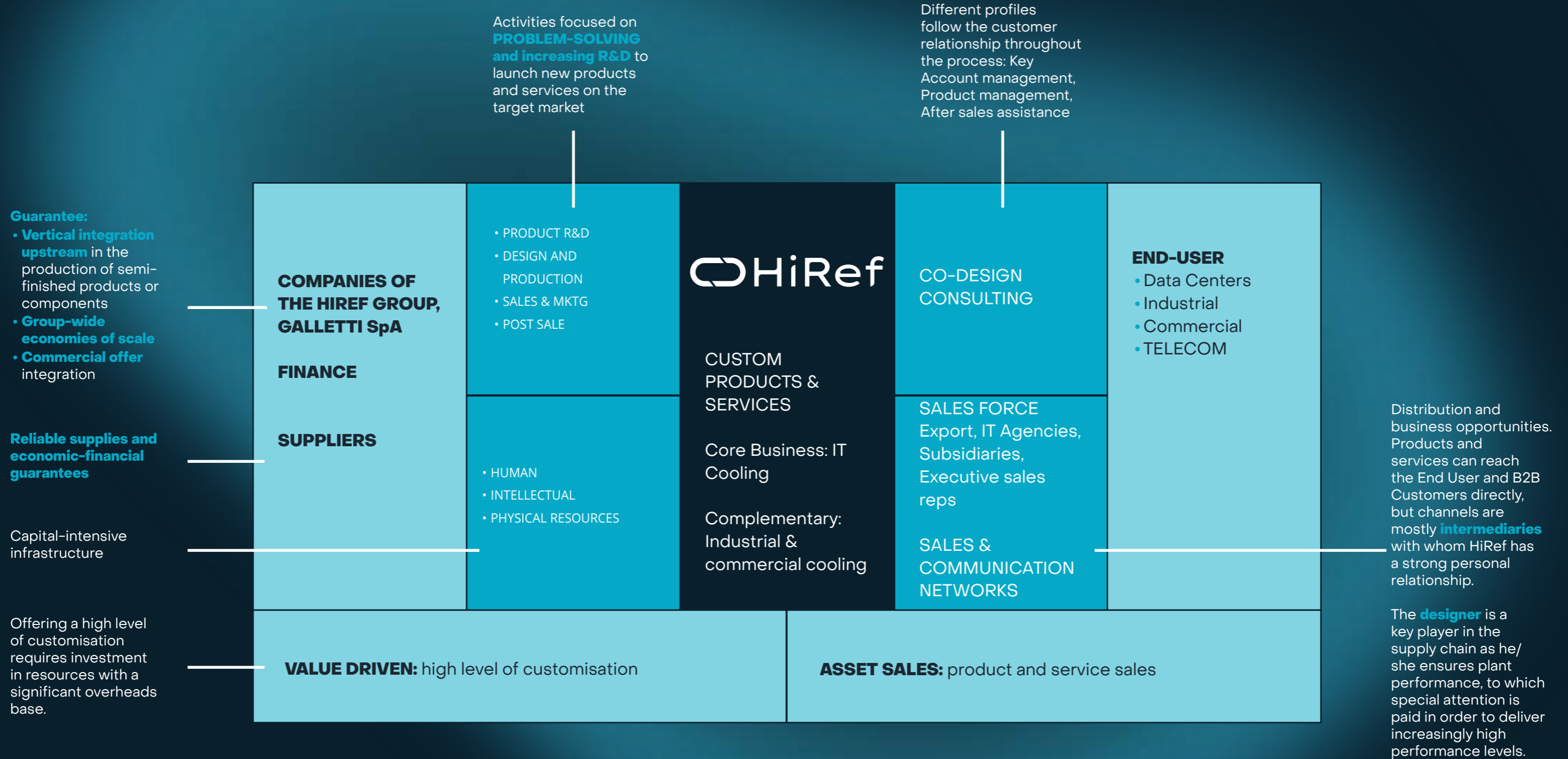
Innovators above the standards



With reference to the 2023 edition of the Sustainability Report, it should be noted that the document focuses exclusively on HiRef S.p.A. However, an overall description of the Group, i.e. the group of affiliated and associated companies operating in synergy with HiRef S.p.A., is provided.



1.4.3 BUSINESS MODEL CANVAS



CORE BUSINESS

HiRef's activities focus on problem-solving and R&D endeavours with a view to innovating and launching new products and services on the market. This emphasis on innovation and sustainable design and production underscores their contribution to sustainability by developing solutions that reduce energy consumption and environmental impact.

KEY RESOURCES

HiRef invests in human, intellectual and physical resources, emphasising the importance of a capital-intensive infrastructure. This approach reflects the value placed on technical knowledge, engineering expertise and production capacity as cornerstones for offering sustainable solutions.

KEY PARTNERS

Key partners, including HiRef group companies and suppliers, are essential for vertical integration, economies of scale and complementarity of supply. This partnership network helps reach our sustainability goal through collaboration, supply reliability and financial support.

VALUE PROPOSITIONS

HiRef SPA focuses on IT Cooling as its core business, also engaging in Industrial and Commercial Cooling as complementary activities. This focus implies a commitment to efficient and sustainable cooling solutions in critical areas, reflecting the Company's focus on reducing environmental impact while improving energy efficiency.

CUSTOMER RELATIONS

HiRef manages different relationships with customers throughout the process, from after-sales support to co-design and consultancy. This multidimensional approach to customer management reflects a commitment to customisation and customer satisfaction, two key drivers for long-term sustainable business.

DISTRIBUTION CHANNELS

HiRef's products and services reach both end users and B2B customers mainly through intermediaries. Our Company maintains strong personal relationships with these channels, indicating an approach that values the quality of the relationship and the impact on customer satisfaction and loyalty, being key drivers for a sustainable business.

CUSTOMER SEGMENTS

HiRef covers different sectors, involving designers, installers and other market players, from data centers to industrial and commercial segments as well as telecommunications. This diversity reflects HiRef's commitment to providing sustainable solutions to a wide range of sectors, contributing significantly to reducing environmental impact through improved energy efficiency and reduced consumption.

1.4.4 IMPROVING THE PRODUCTION PROCESS

Starting in 2023, HiRef launched a major business process streamlining and reorganisation phase, implementing a recognised and well-established industrial method with a view to optimising every value creation process within the Company.

This system is based on Lean Thinking principles and, by making reliance on specific tools and methods, allows any business activity to be analysed and reviewed, overcoming established habits and procedures with a view to day-to-day efficiency. The key to this process is the team-wide sharing of ideas and proposals for improvement, aiming at the progressive elimination of waste and concentrating resources exclusively on valuable activities required by the market.

The fundamental principles include:

- Defining value for the customer in terms of both meeting requests as well as improving customer experience as a whole.
- Mapping value to analyse each process, identify waste and look into its root causes.
- Creating a seamless and uninterrupted or delayed flow for the products/services offered, by adopting streamlined and optimised business processes.
- Adopting a pull approach, where production is driven by market demand, ensuring the right amount of goods/services when required.
- Constantly striving for perfection, promoting an attitude of continuous improvement in every resource.

Key objectives include:

- Increasing production using the minimum amount of resources.
- Improving timeliness and reliability in responding to customers.
- Raising the quality of the products/services offered.
- Using resources, space, equipment and capital more efficiently.

“ The continued growth and success of the Company depend on commitment and consistency in pursuing this path, which is not a choice but a necessity rather.

The HiRef Way project involves all operational teams, from order receipt to product shipment, and these are the first results achieved in 2023:

- 30% reduction in lead time per unit, ensuring a faster response to customer requests.
- 20% reduction in work in progress at production lines, improving production capacity and efficiency.

But we can do even better... at HiRef we are **Innovators above the standard!**



1.5 CERTIFICATIONS



Certificato di Synesgy

Presentato a **HIREF SPA**
VIALE SPAGNA 31/33, TRIBANO, Italia

Rilasciato il **11 luglio 2024** Valido fino al **11 luglio 2025** Macro-settore **Macchine strumentali** Paese **Italia**

Questo certificato viene rilasciato a HIREF SPA (codice fiscale: 02191431200) da CRIBIS D&B S.r.l. per aver partecipato alla valutazione ESG tramite la piattaforma Synesgy il 11 luglio 2024.

HIREF SPA ha ottenuto lo score "C - Soddisfacente".

La metodologia di Synesgy segue standard di sostenibilità internazionali generalmente accettati come i Global Reporting Initiative (GRI) ed è stata sviluppata da CRIF Ratings, un'agenzia di rating del credito che opera sotto la supervisione dell'ESMA.

Questo score è valido per un anno fino al **11 luglio 2025**.

A

B

C

D

E

SCORE ESG: C
Livello soddisfacente di Sostenibilità

Società con un soddisfacente livello di adeguatazza rispetto ai principi ESG, in linea con le best practice nazionali. Lo score ESG è conforme agli standard di rendicontazione internazionali (Global Reporting Initiative, European Sustainability Reporting Standards e Sustainable Development Goals) e considera gli argomenti più importanti, materiali e significativi relativi ai fattori Ambientali, Sociali e di Governance.

Lo score ESG rappresenta la valutazione della conformità ai principi ESG (Environment, Social, Governance) di un'azienda, essa prende in considerazione anche il settore industriale e il paese/regione.





Lo score ESG viene calcolato sulla base di una metodologia di proprietà di CRIF S.p.A. e si basa sulle informazioni che vengono divulgate dal soggetto stesso a cui il punteggio è riferito (Entità Valutate). Le suddette informazioni sono divulgate volontariamente sotto la sola responsabilità del soggetto valutato e non sono verificate da CRIF S.p.A. Lo score ESG è riferito alla data di compilazione del questionario (non è monitorato in modo continuativo nel tempo). Lo score ESG non è una certificazione né una valutazione specifica, ha il solo scopo di raggruppare le Entità Valutate in classi di riferimento al solo scopo informativo. Lo score ESG non è soggetto ad alcuna garanzia di accuratezza, completezza, affidabilità dei dati. CRIF S.p.A. non ha responsabilità sull'utilizzo dello score da parte di terzi. CRIF S.p.A. non è responsabile di alcuna decisione basata sullo score ESG assunto dall'Entità Valutata o da qualsiasi altro ente.

*La metodologia utilizzata per la piattaforma di valutazione è derivata da CRIF Ratings. CRIF Ratings è una società il cui quadro generale di rating è certificato dall'Autorità Europea degli Strumenti Finanziari e dei Mercati (ESMA).

*Certification pertaining to 2023 performance

**Future goal?
Continue to create
shared value!**

1.5.1 OUR CERTIFICATIONS



CERTIFICATO N. FGI 02404
CERTIFICATE N.

ITEC certifica che l'azienda:
ITEC certifies that the company:

HIREF S.P.A.

Viale Spagna 31/33
35020 Tribano PD

è conforme al Reg. (UE) 2015/2067, per le seguenti attività:
is in compliance with the Regulation (EU) 2015/2067, for those activities:

Installazione, manutenzione, riparazione, assistenza o smantellamento di apparecchiature fisse di refrigerazione, condizionamento d'aria e pompe di calore fisse contenenti taluni gas fluorurati ad effetto serra.
Installation, maintenance, repair, assistance or dismantling of stationary refrigeration equipment, air conditioning and fixed heat pumps containing certain fluorinated greenhouse gases.

Il presente certificato viene rilasciato in conformità allo SCHEMA ACCREDIA IMPRESE e al D.P.R. n. 146/2018 articolo 8, comma 1.
This certificate is issued in compliance with the Accredia Scheme and article 8(1) of Presidential Decree n. 146/2018.

Data Prima Emissione First Issue Date	Data Emissione Corrente Current Issue Date	Data Scadenza Expiry Date
24 Gennaio 2020	24 Gennaio 2020	23 Gennaio 2025

ITEC S.r.l. Istituto Tecnologico Europeo di Certificazione
Via Biella, 1
52013 Montemurlo (PO) It.
Tel. +39 0574 689415 Fax +39 0574 684947
www.itec-cert.it itec@tec-cert.it

ACCREDIA
P.C. n° 2704
Nomin. Ing. Antonio R. De Luca
Rappres. Ing. Stefano Di Lillo
Prest. Respons. Ing. Massimo

ITEC S.r.l. Via Biella, 1 - 52013 Montemurlo PD



CERTIFICATO DI CONFORMITA' ALLA DIRETTIVA 2014/68/UE PED-18-BPrd-0005 Rev. 1 - MODULO B

Esame UE del tipo - tipo di produzione
Type-examination - production type

Si attesta che, sulla base dei risultati delle verifiche effettuate per conto del fabbricante
It is verified that, based on the check results carried out on behalf of the manufacturer

HIREF S.P.A.

Sede Legale: Viale Spagna, 31/33 - 35020 Tribano (PD)
Sede Operativa: Viale Spagna, 31/33 - 35020 Tribano (PD)

ad apporre la marcatura CE seguita dal numero 2761 sui prodotti di seguito specificati, in accordo alla Direttiva 2014/68/UE del Parlamento Europeo e del Consiglio del 15 Maggio 2014 (Apparecchi a Pressione) - Allegato II.
to apply the CE marking followed by No. 2761 on the following equipment, in compliance with the Directive 2014/68/UE of the European Parliament and of the Council of 15th May 2014 (Pressure Equipment Directive) - Annex II.

Assemblaggio di impianti di refrigerazione/condizionamento, ad espansione diretta o indiretta, alimentati con gas fluorurati del gruppo 1 o 2 (tipo R7C, R7D o miscela) o R744 in fase trascritta per impieghi tecnologici con componenti conformi alla normativa 2014/68/UE classificati in categoria IV.	S.S. Da 5"
Pressione PS [bar]	Vedi allegato
Temperatura TS [°C]	Vedi allegato
Composizione	II, III, IV
Categoria	Gruppo 1 e 2

I requisiti essenziali di sicurezza sono assicurati dalla rispondenza alle Norme armonizzate.
The essential safety requirements are assured by compliance with applied Harmonized Standard.

UNI EN 378-2:2015	Impianti di refrigerazione e pompe di calore - Parte 2: Progettazione, costruzione, prove, marcatura e documentazione
UNI EN 13136:2019	Impianti di refrigerazione e pompe di calore - Dispositivi di limitazione della pressione e relative tubazioni - Metodi di calcolo
UNI EN 14276-2:2020	Attrezzature a pressione per sistemi di refrigerazione e per pompe di calore - Parte 2: Tubazioni - Requisiti generali

ITEC S.r.l. Organismo notificato N. 2761 in conformità all'art. 14 della Direttiva 2014/68/UE del Parlamento Europeo e del Consiglio del 15 maggio 2014, certifica che questo apparecchio/insieme verificato secondo la procedura di cui all'allegato II del modulo B Tipo di Produzione è conforme ai requisiti essenziali di sicurezza e salute di apparecchiature a pressione, definiti nell'allegato I della Direttiva.

ITEC S.r.l. Notified Body No. 2761 in compliance with Article 14 of the Directive 2014/68/UE of the European Parliament and the Council of 15th May 2014, certifies that this equipment/assembly was tested according to the procedure set out in Annex II module B Production Type and it complies with the essential health and safety requirements of pressure equipment/assembly given in Annex I of the Directive.

CE 2761

Data di emissione: 29/10/2021
Data di scadenza: 13/06/2026
Luogo di emissione: MONTEMURLO (PO)

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Mult. PED CER BPrd Rev. 02 DEL 14/05/2018

Pagina 1 di 3



CERTIFICATO CERTIFICATE

SISTEMA DI GESTIONE AMBIENTALE
Certificato No. / Certificate No. SGA-0421-210330 Rev. 01
Rapporto di Audit No. / Audit Report No. 240278

Si certifica che il Sistema di Gestione Ambientale di
We hereby certify that Environmental Management System of

HIREF S.P.A.

Viale Spagna, 31/33 - 35020 - Tribano (PD)
Viale Germania, 5/9 - 35020 - Tribano (PD)

è CONFORME ai requisiti della norma
is in COMPLIANCE with the standard

UNI EN ISO 14001:2015

per le seguenti attività
for the following activities

Progettazione, produzione e assistenza tecnica di macchine e impianti per il condizionamento e la refrigerazione, attraverso i processi di brasatura, saldatura e collaudo.
Design, production and technical assistance of air conditioning and refrigeration machines and systems, through brazing, welding and testing processes.

Requisiti esclusi - Excluded requirements -
Settore EA / IAF: 18

Certificazione rilasciata in conformità al Regolamento Tecnico ACCREDIA RT-09
Certification issued in accordance to ACCREDIA Technical Regulation RT-09

Prima emissione First emission	Emissione corrente Current Issue	Scadenza Expiry
27-04-2021	24-04-2024	26-04-2027

Per l'Organismo di Certificazione
For the Certification Body

La validità della certificazione è soggetta al rispetto del regolamento per la certificazione dei sistemi di gestione qualità, all'effettuazione delle sorveglianze annuali e del riesame completo del sistema di gestione con cadenza triennale.
The validity of this certificate is subjected to the respect of rules for the certification of quality management system, annual audit and recertification of the entire management system within three years.



CERTIFICATO CERTIFICATE

SISTEMA DI GESTIONE PER LA QUALITÀ
Certificato No. / Certificate No. SGC-0421-210218 Rev. 01
Rapporto di Audit No. / Audit Report No. 240278

Si certifica che il Sistema di Gestione Qualità di
We hereby certify that Quality Management System operated by

HIREF S.P.A.

Viale Spagna, 31/33 - 35020 - Tribano (PD)
Viale Germania, 5/9 - 35020 - Tribano (PD)

è CONFORME ai requisiti della norma
is in COMPLIANCE with the standard

UNI EN ISO 9001:2015

per le seguenti attività
for the following activities

Progettazione, produzione e assistenza tecnica di macchine e impianti per il condizionamento e la refrigerazione.
Design, production and technical assistance of air conditioning and refrigeration machines and systems.

Requisiti esclusi - Excluded requirements -
Settore EA / IAF: 18

Prima emissione First emission	Emissione corrente Current Issue	Scadenza Expiry
22-09-2017	24-04-2024	26-04-2027

Per l'Organismo di Certificazione
For the Certification Body

La validità della certificazione è soggetta al rispetto del regolamento per la certificazione dei sistemi di gestione qualità, all'effettuazione delle sorveglianze annuali e del riesame completo del sistema di gestione con cadenza triennale.
The validity of this certificate is subjected to the respect of rules for the certification of quality management system, annual audit and recertification of the entire management system within three years.

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27



2. SUSTAINABILITY STRATEGY

2.1 OUR SUSTAINABILITY STRATEGY

SUSTAINABILITY GOALS

We believe sustainability covers three different areas: environmental, social and economic. Our mission is to innovate and drive change in each of these areas to create a lasting positive impact. This is how we intend to proceed:



ENVIRONMENTAL SUSTAINABILITY

In the energy field, we are committed to developing and proposing state-of-the-art solutions that promote high energy efficiency and the use of sustainable technologies and materials. Leading the way in this area, we propose the introduction of new refrigerants with a low Global Warming Potential (GWP), which are an environmentally responsible choice for the future of cooling. In addition, we are pioneers in the development of advanced energy control and monitoring systems that enable optimised resource management, reducing waste and inefficiency. Our vision also includes the recovery and reuse of energy, turning what was once considered waste into valuable resources.



SOCIAL SUSTAINABILITY

On the social front, we strongly believe in the power of collaboration and community involvement. For this reason, we work closely with associations and organisations committed to social development goals, supporting projects that aim to improve the living conditions of different global communities. These partnerships are vital for increasing efforts and maximising the impact of social initiatives, contributing significantly to collective well-being. We also attach great importance to relations with suppliers and employees.



FINANCIAL SUSTAINABILITY

Finally, from a financial perspective, we focus on developing smart energy utilisation solutions to reduce operating expenses (OpEx) and increase financial efficiency. By adopting innovative technologies and sustainable practices, we aim to decrease dependence on expensive and polluting energy sources, offering companies the opportunity to reduce their carbon footprint while improving their bottom line.

“

Our multidimensional approach aims to create a sustainable ecosystem that values the environment, society, culture and economy, showing that it is possible to pursue growth and progress in harmony with our planet.



2.2 CONTRIBUTION TO THE ACHIEVEMENT OF THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



We refer to the sustainable development goals set out in the document called "Transforming our world: the 2030 Agenda for Sustainable Development" signed in September 2015 by the governments of the 193 UN member states, including Italy.

4 QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote learning opportunities for all
 HiRef proactively engages in supporting higher education through strategic partnerships with universities in Italy and Europe: more than 40 dissertations have been written since 2003.
 2022 also saw the birth of HiAcademy, the training centre of the Group that aims to train both internal and external employees on innovative HVACR topics.

5 GENDER EQUALITY
Achieve gender equality and empower all women and girls
 We are committed to maintaining a fair and inclusive work environment, encouraging the participation of all people, regardless of gender, recognising the value that different perspectives and experiences bring to our success.
 HiRef is working on obtaining UNI PdR/125 2022 certification.

6 CLEAN WATER AND SANITATION
Ensure availability and sustainable management of water and sanitation for all
 HiRef adopts innovative water recycling and reuse practices in production and civil processes to reduce waste and promote water sustainability.

7 AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy systems for all
 HiRef is at the forefront of clean energy innovation, developing HVAC&R systems that use state-of-the-art technologies to reduce energy consumption. This effort also entails implementing environmentally friendly refrigerants with a low GWP, thereby contributing significantly to the reduction of greenhouse gas emissions and the promotion of a sustainable energy future.

8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
 HiRef is committed to providing a safe and engaging working environment, complete with opportunities for training and professional development. The average age of HiRef's employees is 40, and the Company attaches great importance to including young talent in its workforce.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build a resilient infrastructure and promote innovation and fair, responsible and sustainable industrialization
 By adopting a lean manufacturing approach, HiRef optimises its production processes to reduce waste and improve efficiency. The adoption of advanced digital and industrial automation technologies makes it possible to maintain a resilient infrastructure and paves the way for future sustainable expansion of the industry.

11 SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, durable and sustainable
 HiRef products are designed to maximise energy efficiency and minimise environmental impact, contributing directly to the sustainability of urban settlements. Our technology helps reduce carbon emissions in commercial and industrial buildings, promoting healthier and more sustainable urban environments.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Guarantee sustainable models of production and consumption
 HiRef adopts responsible production practices that include reusing packaging and minimising resource waste in our facilities. These policies help reduce, to a significant extent, the Company's ecological footprint, ensuring that our products are both efficient and sustainable.

13 CLIMATE ACTION
Promote actions, at all levels, to fight climate change
 HiRef engages with customers and industry partners to develop HVAC&R solutions that support the climate resilience of buildings. This includes designing systems that can adapt to extreme climatic conditions, thus contributing to global climate change mitigation efforts.

17 PARTNERSHIPS FOR THE GOALS
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
 HiRef's success is driven by continuous collaboration with a wide network of partners, including suppliers, customers, universities and local communities. We maintain an ongoing and meaningful dialogue that increases our commitment to sustainable development and shared innovation.

2.2.1 CASE HISTORY 1

COPENHAGEN UNDERGROUND

THE COPENHAGEN UNDERGROUND
CHOOSES THE CO₂ TECHNOLOGY BY HIREF

Denmark is first and foremost an environment-friendly country, and for the air conditioning of the new underground server room of the Copenhagen metro, the requirement was to use a natural refrigerant.

The generally most popular option offered by the other bidding contractors was propane (R290): natural and environmentally friendly with a GWP rating of 3. The drawback of this hydrocarbon, however, is its flammability, which HiRef viewed as a discriminating factor as it turns it into a source of hazard, from a good ally of the environment to an enemy of human health.

THE CO₂ CHOICE

Against such a backdrop, HiRef's proposition based on a transcritical system using the natural refrigerant CO₂ (R744) proved successful.

CO₂ is not only natural, but is the world benchmark for ranking the climate-changing power of greenhouse gases, with its GWP being equal to 1, and it is non-flammable.

As it is more complex to handle than other refrigerants, it requires an ad hoc conditioning system and involves higher production costs. In spite of these aspects, the value of HiRef's proposition has proven more significant, as it sets out not only to meet the customer's request but **also to increase the prestige of the operation in terms of environmental friendliness and putting human health at the core.**

“ **Winning, environmental and social sustainability** ”



2.2.2 CASE HISTORY 2

ALL-ROUND GREEN PHILOSOPHY, INCLUDING IN MANUFACTURING

A dairy company from Piedmont known for the quality of its products, with 100% Italian production, has chosen HiRef to optimise process conditioning, in full compliance with the control of the supply chain. HiRef has proposed CO₂ technology, as it is excellent for ensuring environmental sustainability and the well-being of animals and people alike, which has always been a priority for the cheese factory.

A WINNING CHOICE




The offer did not stop there. In view of the production structure, the main winning asset of the proposed solution was that of being able to recover the heat normally released by air conditioning systems as waste and reuse it in other industrial processes, such as milk pasteurization.

A solid example of circular economy as well as of financial sustainability for the company.









2.3 OUR SUSTAINABILITY COMMITMENTS











KEY

-  Early-stage projects
-  Projects started and well underway
-  Project completed or constantly being updated

2.3.1 E – ENVIRONMENTAL

OBJECTIVE	ACTIVITY	STATUS
Environmental Protection and Protection of Human Health	Compliance with the Reach regulation on the use of chemicals	
Use of energy from renewable sources	<ul style="list-style-type: none"> • Implementation of solar panels at the company • Use of less impactful company machines 	
Reducing the carbon footprint	<ul style="list-style-type: none"> • Structured KPI monitoring related to energy consumption, water consumption and waste produced • Careful selection of packaging • Obtaining EPD process and product certification for carbon footprint 	
Responsible management of water resources	<ul style="list-style-type: none"> • Reuse of test water • Appropriate disposal of waste water 	
Responsible management of waste disposal or recycling	<ul style="list-style-type: none"> • Introduction of static compactors to reduce the volume of waste produced and limit the flow of trucks • Careful handling of special waste 	
Increased use of refrigerant gases with a lower environmental impact	<ul style="list-style-type: none"> • Creating ranges of units with less impactful refrigerants (including propane and CO₂) • Participation in European and national projects with calls for research on product energy efficiency and the use of substances (refrigerants) in products • Obtaining F-Gas certification 	

2.3.2 S – SOCIAL

OBJECTIVE	ACTIVITY	STATUS
Occupational health and safety	<ul style="list-style-type: none"> • Drafting occupational health and safety procedures • Appointment of the Head of Prevention and Protection Function • Obtaining UNI ISO 45001 certification • Structured monitoring of accident statistics 	
Creating a fair and merit-based working environment	<ul style="list-style-type: none"> • Skill mapping and monitoring • Awarding performance-related production bonuses 	
Training and development	<ul style="list-style-type: none"> • Creation of HiAcademy (HiRef Group training centre) for internal and external training • Possibility of financing specific courses for employees • Delivering language courses 	
Diversity and inclusion	<ul style="list-style-type: none"> • Implementation of awareness-raising activities aimed at promoting diversity and inclusion within the company 	
Non-discrimination	<ul style="list-style-type: none"> • Drafting personnel management policy, addressing topics such as diversity, discrimination and training • Drafting personnel management procedures governing selection, training and internal activities 	
Protection of human rights	<ul style="list-style-type: none"> • Obtaining SA8000 certification • Carrying out an analysis of the supply chain to investigate respect for human rights • Obtaining certification for Management Responsibility – Italian Law No. 231 	
Attention to local communities	<ul style="list-style-type: none"> • Engaging in endeavours to support and involve local communities • Disbursing funds to charitable associations 	
Product and customer health and safety	<ul style="list-style-type: none"> • Use of safe machinery that complies with the EU Machinery Directive (2006/42) and safety of live parts 	
Customer satisfaction	<ul style="list-style-type: none"> • Creating the customer journey 	
Product quality	<ul style="list-style-type: none"> • Maintaining ISO 9001 certification • Carrying out tests on finished products to investigate the quality of manufactured products 	

2.3.3 G - GOVERNANCE

OBJECTIVE	ACTIVITY	STATUS
Integrating sustainability into business strategy	<ul style="list-style-type: none"> • Creating efficient products • Preparing the sustainability report with the aim of having it certified • Identification of a sustainability watchdog within the company 	●
Supply chain sustainability	<ul style="list-style-type: none"> • Assessing suppliers on the basis of ESG criteria • Preference for small/medium-sized local firms • Drawing up a supplier code of conduct 	●
Ethical conduct and the fight against corruption	<ul style="list-style-type: none"> • Creation and publication of the Code of Ethics (Italian Leg. Decree 231/2001) 	●
Digital transformation and connectivity	<ul style="list-style-type: none"> • Deployment of technologies to make products smarter, with predictive maintenance functions 	●
Cyber security and data protection	<ul style="list-style-type: none"> • Conducting investigations to intercept and protect against hacker attacks • Implementation of research activities aimed at making machines more secure to prevent data access • Adoption of an internal data management procedure based on segregation of access, in particular to avoid leakage of information related to technical know-how 	●



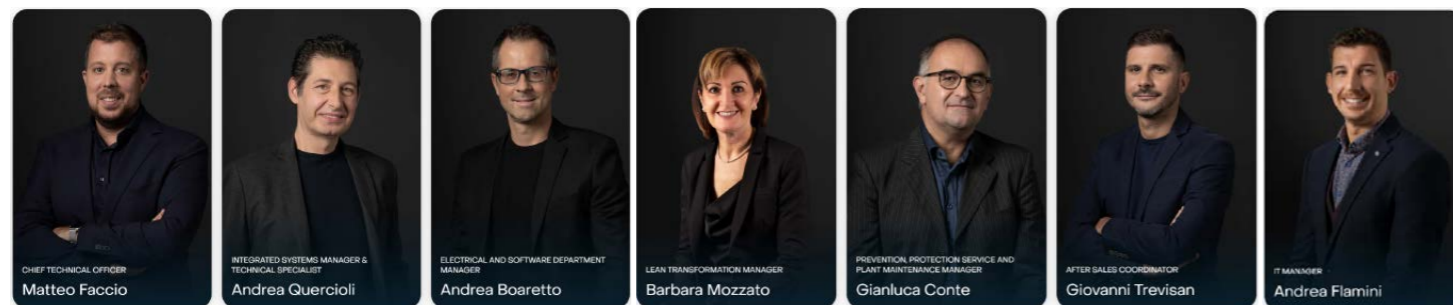
3. GOVERNANCE



3.1 CORPORATE GOVERNANCE STRUCTURE

HiRef is an independent and all-Italian company. Over twenty years, the Company has witnessed a strong growth in size and the establishment of 7 companies that have become part of the Group, specialising in the different areas of HVAC&R, to provide a complete and tailor-made service for the customer.

We value skills and individual talent, allowing people to best express their abilities.



3.1.1 CORPORATE STRUCTURE

Our organisation is committed to optimising work and achieving improvement objectives in terms of company performance.

BOARD OF DIRECTORS

The Board of Directors, appointed by the shareholders' meeting of 29 April 2022, will remain in office until the approval of the financial statements on 31 December 2024.

The members of the Board of Directors are:

- Alberto Salmistraro, Chairman
- Luca Galletti, Managing Director
- Elena Brandolisio, Managing Director

BOARD OF AUDITORS

The Board of Auditors, appointed by the shareholders' meeting of 29 April 2022, will remain in office until the approval of the financial statements on 31 December 2024.

The members of the Board of Auditors are:

- Gambini Massimo, Chairman
- Melandri Mauro, Standing Auditor
- Fonte Giovanni, Standing Auditor
- Romani Alberto, Alternate Auditor
- Menetti Maurizio, Alternate Auditor
- Zanchettin Roberto, Alternate Auditor

AUDITING COMPANY

The statutory audit assignment was granted on 3 July 2019 to Dfk Italia Srl until approval of the financial statements of 31 December 2024.

OPERATIONAL BOARD OF DIRECTORS

The Operational Board of Directors is a strategic steering committee, i.e. a decision-making body within the Company that is responsible for defining and overseeing the Company's long-term strategies.

The following members sit on the OBD:

- Alberto Salmistraro
- Matteo Faccio
- Wolfgang Fels
- Nicola Rossi
- Roberto Maso
- Andrea Boaretto
- Fabio Poletto
- Andrea Quercioli

SUSTAINABILITY COMMITTEE

HiRef undertakes to designate organisational staff members who will be responsible for monitoring sustainability KPIs. More information can be found in section 9.1.



3.2 POLICY COMMITMENTS

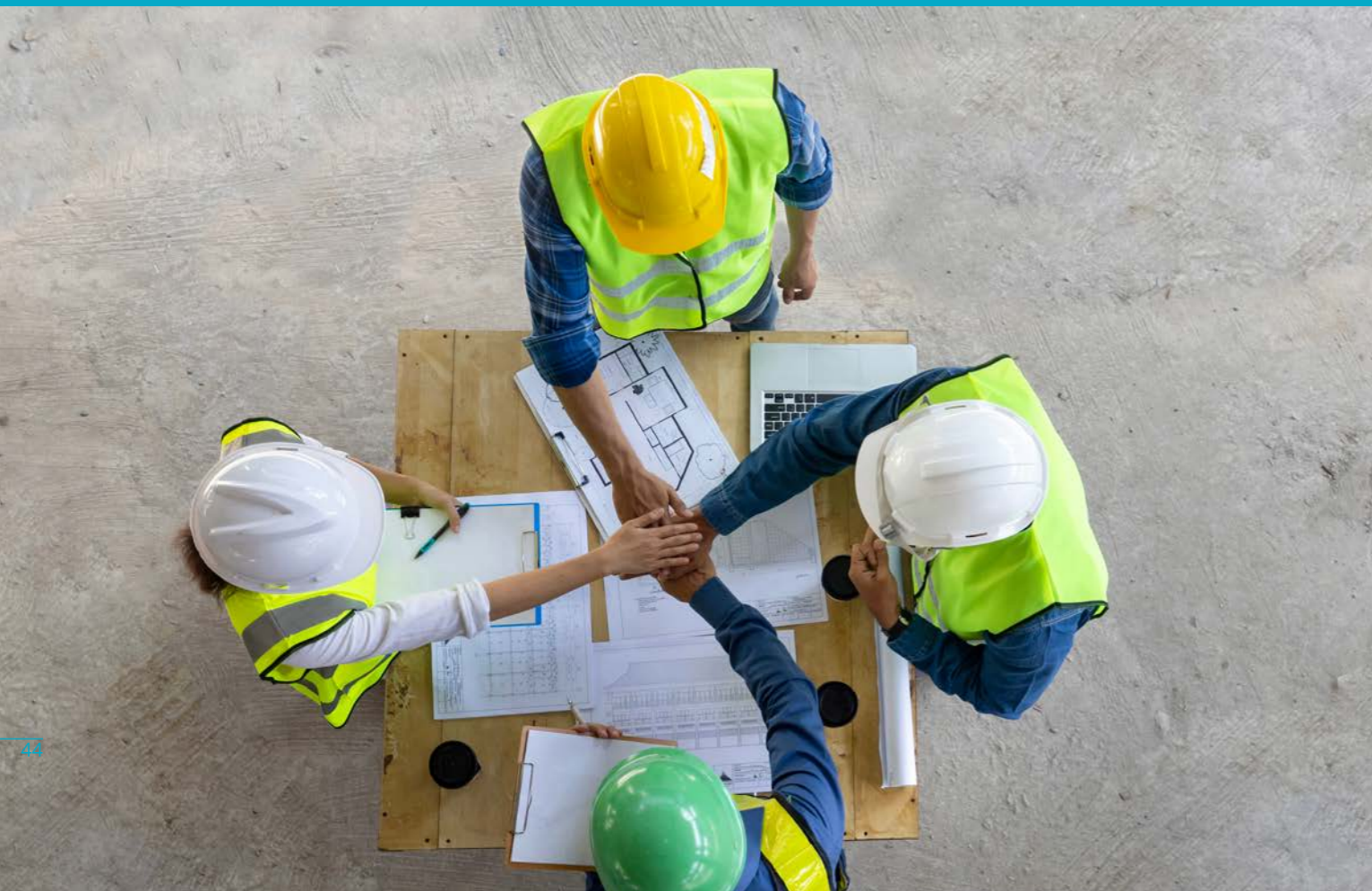
3.1.2 ENHANCING RELATIONSHIPS

Our Company is committed to establishing and maintaining ethical and sustainable relationships as a fundamental pillar of its social responsibility strategy. By relying on transparent practices and ensuring strict compliance with regulations, we endeavour to build trust and collaboration with our stakeholders, ensuring fair working conditions and listening to the needs of the communities in which we operate. At the same time, we strive for excellence by promoting innovation and adopting cutting-edge technology, positioning ourselves as industry leader. Partner selection is based on a close matching of values, favouring partnerships that foster innovation and sustainability.

3.1.3 OUR CODE OF ETHICS

HiRef is currently in the process of creating its Code of Ethics, a document that will reflect the Company's core principles and values. The Code of Ethics will be finalised and made available in conjunction with the publication of the next edition of the Sustainability Report, bearing out HiRef's ongoing commitment to responsible and transparent management of its business.

3.3 STAKEHOLDER MAP



3.4 VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS

3.4.1 OPERATING AND FINANCIAL PERFORMANCE

This section briefly outlines HiRef's key operating and financial indicators for the two-year period 2022-2023.

The table below shows the main operating and financial items for the last two years.

	2023	2022
Revenues	€ 70,263,210	€ 51,738,261
EBITDA	€ 8,306,041	€ 2,306,448
EBIT	€ 8,432,545	€ 2,360,034
Results	€ 5,612,352	€ 1,632,136
Total assets	€ 51,938,715	€ 43,767,098
NFP	- 11,096,212	- 13,327,775
ROE	49.06 %	24.55 %
ROI	15.86 %	4.34 %
ROA	16.59 %	5.58 %
Liquidity ratio	1.00	0.87
Debt ratio	4.44	6.36

Revenues in 2023 exceeded € 70.2 million, up 36% from the previous year, showing a positive growth trend and the good health of the Company.

The reasons underlying this increase are many, including:

- Expansion into new geographical markets
- Creation of new product ranges
- Increased production capacity through

resource efficiency projects

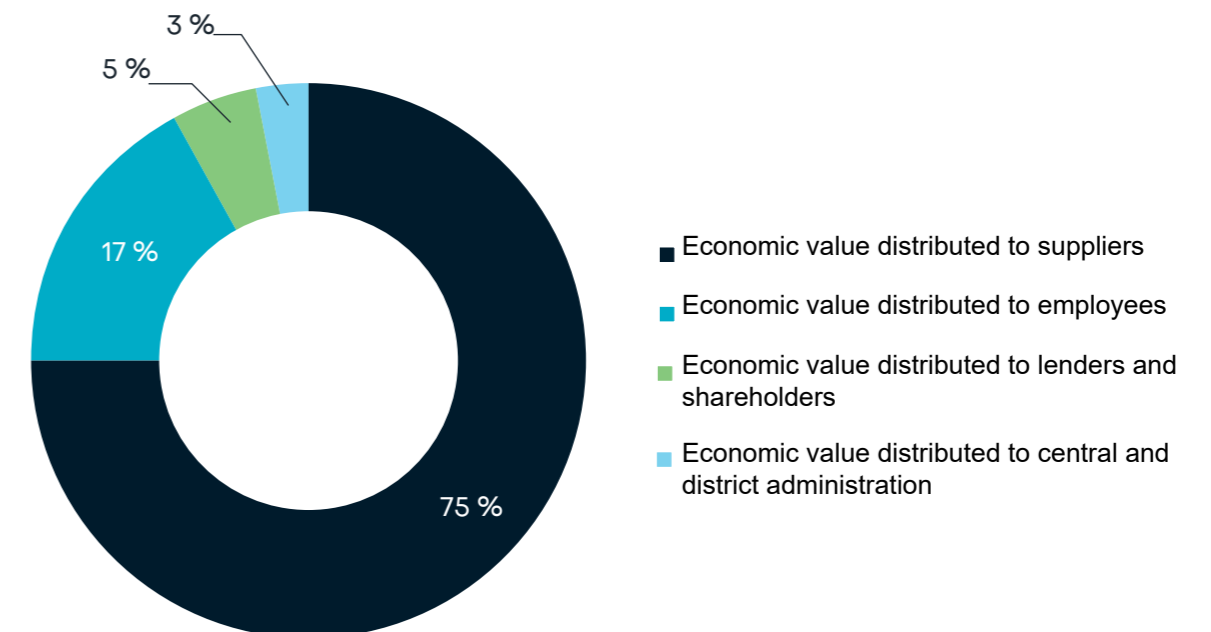
EBITDA and EBIT also reflect a significant improvement, showing greater operational efficiency.

3.4.2 ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS

The economic value generated and distributed reflects the ability of a business to create wealth and distribute it among its stakeholders.

	2023	2022
ECONOMIC VALUE GENERATED	€ 71,314,182	€ 51,982,533
VALUE OF PRODUCTION AND OTHER INCOME*	€ 71,407,948	€ 51,982,533
ECV adjustments	€ -93,766	€ 0
ECONOMIC VALUE DISTRIBUTED	€ 67,967,623	€ 50,729,196
Economic value distributed to suppliers	€ 50,734,027	€ 39,144,460
Economic value distributed to employees	€ 11,346,107	€ 9,902,057
Economic value distributed to lenders and shareholders	€ 3,591,193	€ 1,082,472
Economic value distributed to central and district administration	€ 2,296,296	€ 587,947
Value distributed to the community and environment	-	€ 12,260
ECONOMIC VALUE RETAINED	€ 3,346,560	€ 1,253,337

* "Value of production and other income" includes revenues from sales and non-core income



An aerial photograph of a dense, vibrant green forest. In the center of the forest, there is a large pond that has been shaped into the universal recycling symbol (three chasing arrows forming a triangle). The water in the pond is a clear, light blue. The surrounding trees are thick and lush, with some mist or fog visible in the lower parts of the forest, creating a serene and natural atmosphere.

4. ENVIRONMENTAL IMPACT

4.1 FIGHT AGAINST CLIMATE CHANGE

Climate change is one of the most pressing and significant challenges of our time. Growing awareness of its devastating effects has prompted governments, businesses and individuals to take decisive action to mitigate greenhouse gas emissions and promote a sustainable future. The European Union has set ambitious targets to tackle this global crisis: **reduce greenhouse gas emissions by 55% by 2030 compared to 1990 levels and achieve climate neutrality by 2050**. These goals require a radical change in industrial practices and energy consumption patterns.

As part of these initiatives, the HVACR sector plays a key role. This market is responsible for a significant part of global energy consumption and related CO₂ emissions.

Some key figures illustrating the impact of the HVACR sector include:

- **Energy consumption:** The HVACR sector accounts for about 40% of total energy consumption in residential and commercial buildings. Buildings, in turn, are responsible for approximately 30–40% of global energy consumption and CO₂ emissions.
- **CO₂ Emissions:** It is estimated that heating, ventilation and air-conditioning systems account for about 10% of global CO₂ emissions. This figure is related to both the consumption of electricity to operate the plants and the leakage of refrigerants with high global warming potential (GWP).
- **Refrigerant fluids:** Refrigerant fluids used in HVACR systems can have a significant impact on climate change. Many conventional refrigerant fluids, such as hydrofluorocarbons (HFCs), have a very high GWP, up to thousands of times higher than CO₂. The transition to low-GWP refrigerant fluids is a major challenge and opportunity for the industry.

- **Energy efficiency:** Improving the energy efficiency of HVACR systems is key to reducing their environmental impact. Advanced technologies, such as high-efficiency heat pumps and heat recovery systems, are expected to reduce energy consumption in the sector by up to 50%.
- **Sector Growth:** Demand for HVACR systems is growing globally, driven by population growth, urbanisation and climate change itself, which increase the need for cooling. The global HVACR market is expected to grow at a compound annual growth rate (CAGR) of around 6% in the coming years.

These figures highlight the importance of innovating and improving efficiency in the HVACR sector to reduce its impact on climate change. Companies like HiRef play a key role in this process, developing sustainable technologies and adopting environmentally friendly production practices.

4.1.1 ENERGY

In 2023, we used 8,941.46 GJ of energy from non-renewable sources, down 10% over 2022. Specifically, the table below shows energy consumption from non-renewable sources, derived from the sum of:

- natural gas, diesel oil and petrol, which fell by 17%
 - purchased electricity, which increased by 2%
- HiRef has had a photovoltaic system running

ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES	2023	2022
Natural gas (Heating and production process)	3,300 GJ	4,190 GJ
Diesel (Company fleet and generator)	1,817 GJ	1,985 GJ
Petrol (Company fleet)	197 GJ	237 GJ
Electricity (Production process and offices)	3,627 GJ	3,557 GJ
Total energy consumption from non-renewable sources	8,941 GJ	9,969 GJ

ENERGY CONSUMED PER COOLING KW PRODUCED IN 2023

$$\frac{\text{W consumed}}{\text{Cooling kW produced*}} = 29.2^{**}$$

*Total cooling capacity of units produced

** The same ratio could not be calculated for 2022

for several years, demonstrating an unwavering commitment to energy sustainability and reducing its carbon footprint. During 2023, this plant generated a total of 22,137 kWh of renewable energy, which is re-injected into the national grid. This contribution not only supports the surrounding community but also underlines HiRef's proactive role in promoting a more sustainable and shared energy future.

WHAT ABOUT THE FUTURE?

The goal for 2024 is to open the new production plant, which will be highly energy efficient, with an A4 energy class certification.

The heart of the new plant's energy system will be three water-to-water heat pumps (with refrigerant R515B, low GWP), which will be responsible for heating and cooling both the offices and the production area. These heat pumps will use two heat loops as the heat source. The thermal loops, in turn, will be powered by three air-water heat pumps (with propane refrigerant, also low GWP), ensuring efficient heat transfer.

The energy required to run all these heat pumps will be provided by a 350 kW photovoltaic system installed on the roof of the depot. This photovoltaic system will not only provide clean energy, but will also help reduce long-term overheads, making the production process more sustainable.

Another innovative aspect of the new plant lies in the heat recovery system. Waste heat generated during end-of-line testing will be recovered and used by the thermal loops to further heat the offices and production area. This heat recovery process will help to significantly reduce energy consumption, optimising the use of available resources while minimising waste.

The new plant will therefore not only represent a significant step forward in reducing environmental impact through the use of renewable energy sources, but will also increase overall energy efficiency through the innovative heat recovery system.

This project shows that it is possible to combine technological innovation and sustainability, laying the foundations for a more efficient and sustainable future.



4.1.2 GREENHOUSE GAS EMISSIONS

Every year, HiRef strives to improve its practices and technologies to reduce greenhouse gas emissions. By adopting innovative and sustainable solutions, our Company is constantly working to reduce its environmental impact. This commitment is reflected not only in compliance with current regulations, but also in the implementation of proactive strategies that contribute to the well-being of the planet. HiRef continues to invest in research and development to find new ways of operating in a more environmentally friendly way, thus strengthening its role in the fight against climate change.

EMISSIONS CO ₂	2023	2022
Direct GHG emissions (Scope 1)	335.22 t	402.59 t
Natural gas	186.50 t	236.10 t
Diesel	134.31 t	146.75 t
Petrol	14.41 t	19.74 t
Indirect GHG emissions (Scope 2)	311.25 t	305.24 t
Electricity purchased from non-renewable sources (location-based)	311.25 t	305.24 t
Total emissions (direct and indirect)	646.48 t	707.83 t

As can be seen from the table, CO₂ emissions in 2023 decreased compared to the previous year.

This was due to a number of factors, including:

- The use of fuel for company cars (both petrol and diesel) has decreased due to the reduction of unnecessary journeys and the adoption of hybrid or higher energy class cars compared to previous cars.
- Optimisation of air conditioning time slots and better management of automatic access closures.
- Efficient production processes, resulting in increased production using the same resources as before. This results in a higher use of electricity (leading to a slight increase in indirect CO₂ equivalent emissions), which meets a higher market demand.

KILOGRAMS OF CO₂ CONSUMED ON COOLING kW PRODUCED IN 2023

$$\frac{\text{CO}_2 \text{ kg}}{\text{Cooling kW produced}^*} = 2.1^{**}$$

*Total cooling capacity of units produced

** The same ratio could not be calculated for 2022

4.1.3 FUTURE OF REFRIGERANTS

Refrigerants are key operating fluids in air conditioning, ventilation and refrigeration (HVAC) systems, used to absorb and transfer heat through compression and expansion cycles. These fluids are crucial for the efficient operation of HVAC systems, allowing specific and controlled temperatures to be kept within buildings, vehicles and industrial processes. Refrigerant selection has a significant impact on the thermodynamic performance, energy efficiency and environmental footprint of HVAC systems.

A crucial aspect when evaluating refrigerants is their Global Warming Potential (GWP), an indicator that assesses the greenhouse effect of a substance over a specific period, usually 100 years, compared to carbon dioxide (CO₂), whose GWP is set at 1. Refrigerants with a high GWP contribute more to global warming than those with a low GWP. Therefore, the choice of refrigerants with low GWP is essential to minimise the climate impact of HVAC systems.

To address the environmental impact of high-GWP F-gases, the European Union adopted Regulation (EU) 517/2014, known as the F-gas regulation. This regulation mandates a gradual reduction in the use of high-GWP refrigerants and promotes the adoption of more sustainable alternatives. These alternatives include natural refrigerants, such as ammonia (NH₃) and carbon dioxide (CO₂), and new-generation synthetic refrigerants with a significantly lower GWP. The F-gas regulation sets stringent limits for fluorinated gas emissions, encouraging the industry to develop and use more environmentally friendly technologies.

These regulatory measures not only aim to reduce the environmental impact of HVAC systems, but also stimulate technological innovation in the industry.

The transition to low-GWP refrigerants brings technical challenges, but also offers significant opportunities to improve energy efficiency and reduce long-term overheads. Compliance with these regulations is crucial for businesses engaging in the HVAC segment – such as HiRef – that are committed to supporting responsible and sustainable business practices, thus contributing to the fight against climate change.

Below are some data regarding HiRef's use of refrigerants in recent years.

The data and charts presented show the trend in the use of various refrigerants in terms of total annual quantity (TAQ) and percentage of total (%), as well as their contribution to CO₂ (CO₂ Eq) equivalent emissions from 2020 to 2024 (forecast). The annual average GWP is given for each year.



Use of High-GWP Refrigerants

- **R410A:** Despite a decrease in the percentage of use from 52% in 2020 to 33% in 2024, R410A continues to have a significant impact on CO₂ emissions due to its high GWP (2088). This refrigerant is gradually being replaced, as seen by the reduction in quantities from 14,266 kg in 2020 to 9,500 kg in 2024.
- **R407C:** This high-GWP (1980) refrigerant also shows a slight decrease in use, but remains at very low levels compared to other refrigerants.

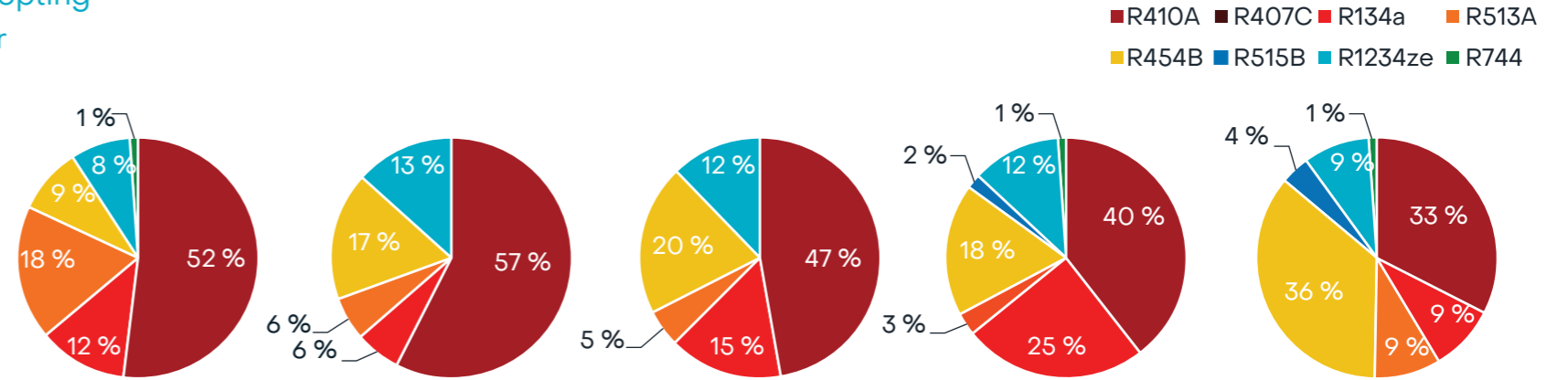
Use of Medium-GWP Refrigerants

- **R134a:** The use of R134a (GWP 1430) shows a variable trend with a peak in 2022 (15%) and a forecast reduction to 9% in 2024. This reflects an attempt to reduce the use of medium to high GWP refrigerants.

Use of low GWP refrigerants

- **R513A, R454B, R515B, R1234ze:** These refrigerants, with significantly lower GWPs (572, 467, 299, and 6, respectively), show a steady increase in use. Notably, R454B and R1234ze have increased their utilisation rates from 9% and 8% in 2020 to 21% and 9% in 2024, respectively.
- **R744 (CO₂):** Despite its GWP of 1, the use of R744 remains very low but constant.

“ The annual average GWP trend shows a clear downward pattern, from 1406 in 2020 to 1051 in the 2024 forecast, reflecting HiRef’s commitment to adopting refrigerants having a lower environmental impact.



REFRIGERANT	GWP	2020		2021		2022		2023		2024 (Goal)	
		Qty	CO ₂ Eq.	Qty	CO ₂ Eq.	Qty	CO ₂ Eq.	Qty	CO ₂ Eq.	Qty	CO ₂ Eq.
R410A	2088	14,266	29786427	14183	29,615,106	11,372	23,745,467	11,164	23,309,618	9,500	19,836,000
R407C	1980	28	54,450	113	223,740	10	20,592	-	-	-	-
R134a	1430	3,432	4907760	1,462	2,091,232	3,659	5,232,513	7,112	10,170,732	2,500	3,575,000
R513A	572	4,880	2,791,360	1,450	829,400	1,316	752,752	811	463,892	2,500	1,430,000
R454B	467	2,410	1,125,657	4,141	1,934,034	4,928	2,301,329	4,973	2,322,298	10,250	4,786,750
R515B	299	-	-	3	897	89	26,611	515	153,865	1,000	299,000
R1234ze	6	2,247	13,479	3,325	19,950	2,881	17,286	3,276	19,656	2,500	15,000
R744	1	243	243	50	50	121	121	241	241	250	250
Overall total	-	27,505	38,679,375	24,981	35,067,850	24,377	32,096,671	28,091	36,440,302	28,500	29,942,000

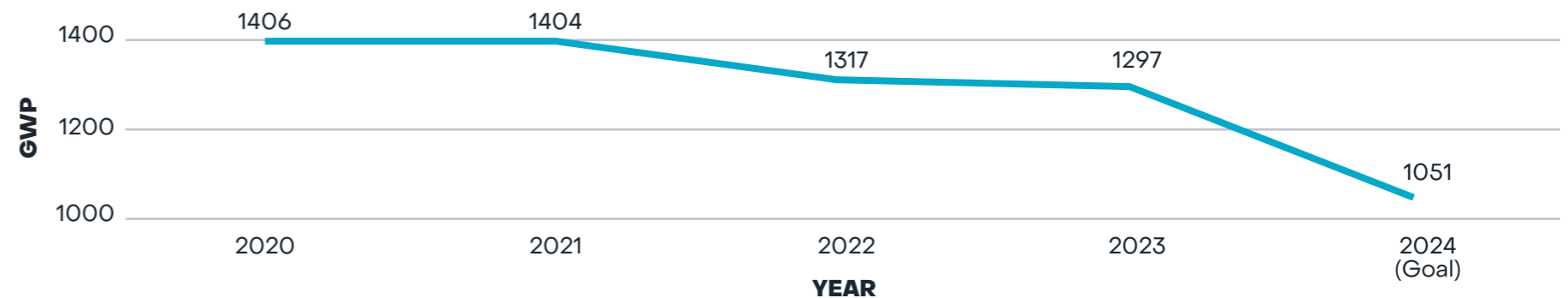
The pie charts represent the percentage distribution of refrigerants for each year:

- **2020:** Predominance of R410A (52%), with the use of R134a and R513A also being significant.
- **2021:** R410A remained predominant but there is a slight reduction in favour of R513A and R454B.
- **2022:** The trend towards reduced use of R410A continued, with increased use of R454B and R513A.
- **2023:** R410A dropped to 40%, with a notable increase in R454B and a significant presence of R515B.
- **2024 (Goal):** Further reduction of R410A to 33%, with R454B becoming the most widely used refrigerant (21%), followed by R1234ze.

The increase in the use of low-GWP refrigerants (such as R454B and R1234ze) and the reduction of high-GWP refrigerants (such as R410A) highlight a company strategy geared towards sustainability and compliance with European regulations.

HiRef’s initiatives contribute significantly to the reduction of CO₂ equivalents, in line with environmental sustainability goals. The overall analysis shows positive progress in refrigerant management, with a clear focus on reducing the average GWP and adopting environmentally friendly solutions.

ANNUAL AVERAGE GWP



4.2 RESOURCES MANAGEMENT



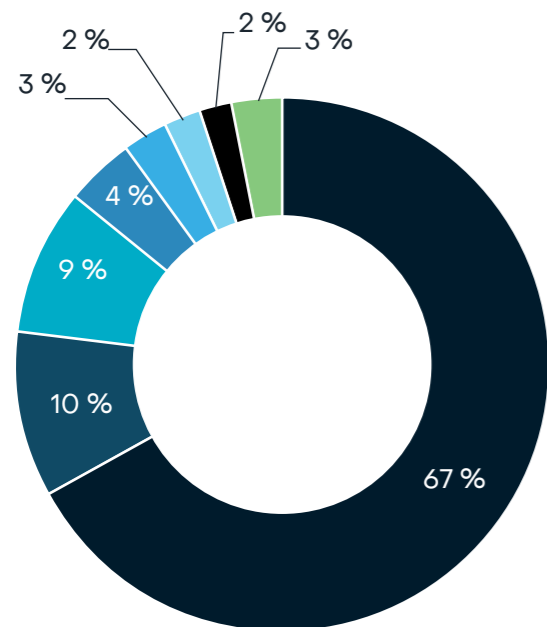
We are committed to ethical and responsible purchasing practices, selecting suppliers who share our values of sustainability and respect for the environment. Each stage of our procurement process is closely monitored to ensure that the materials used in our products meet the highest environmental and social standards. Furthermore, we constantly promote the efficient use of resources, reducing waste and minimising the environmental impact of our activities. Our resource management policy is integrated into our business strategies to ensure that every decision is geared towards the creation of long-term sustainable value.

4.2.1 MATERIALS

During 2023, we used various materials for the production of our products, which can be grouped into two main categories: materials for production and materials used for the packaging of finished products.

Firstly, the materials used in production vary in type and are used to varying degrees according to their specific characteristics in the production process. Materials that make up the finished product include stainless steel, aluminium, steel, copper, cast iron, oils, brass, coolants and insulation. The three most commonly used are steel (67%), copper (10%) and aluminium (9%).

Depending on their use, they are purchased as raw material or as semi-finished products (such as finned pack heat exchangers, compressors or hardware).



LIST OF MATERIALS	WEIGHT
Steel	1685 t
Copper	257 t
Aluminium	231 t
Wood*	108 t
Stainless steel	79 t
Refrigerant fluids	43 t
Plastics and derivatives	37 t
Oils	19 t
Paper/cardboard*	18 t
Cast iron	15 t
Insulation	5 t
Brass	3 t
TOTAL	2498 t

*Renewable materials

- Steel
- Copper
- Aluminium
- Wood
- Stainless steel
- Refrigerant fluids
- Plastics and derivatives
- Other

Some of the above materials are used as packaging materials. Specifically, plastic, wood and paper are used as film, pallets and general packaging, respectively.

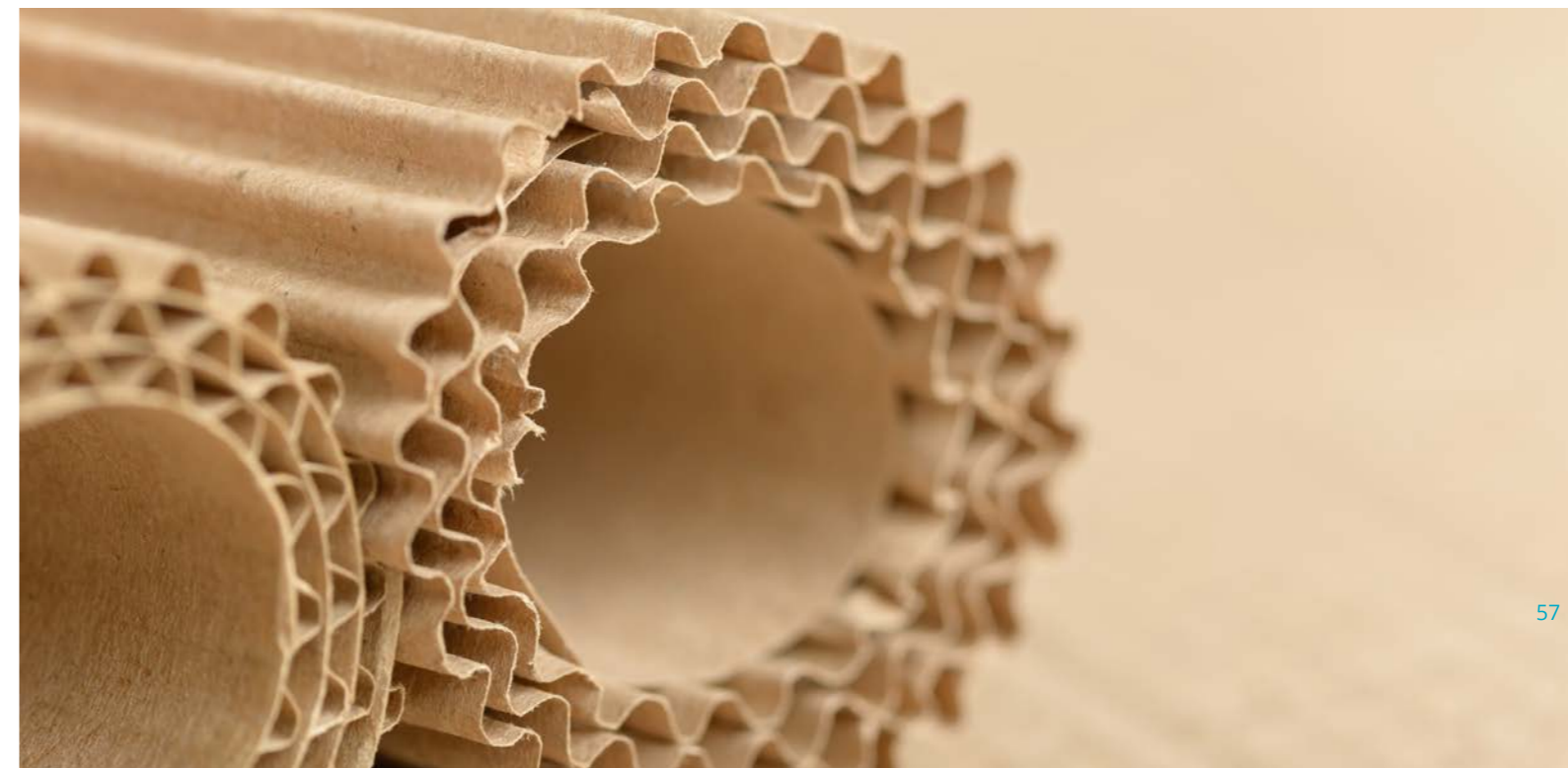
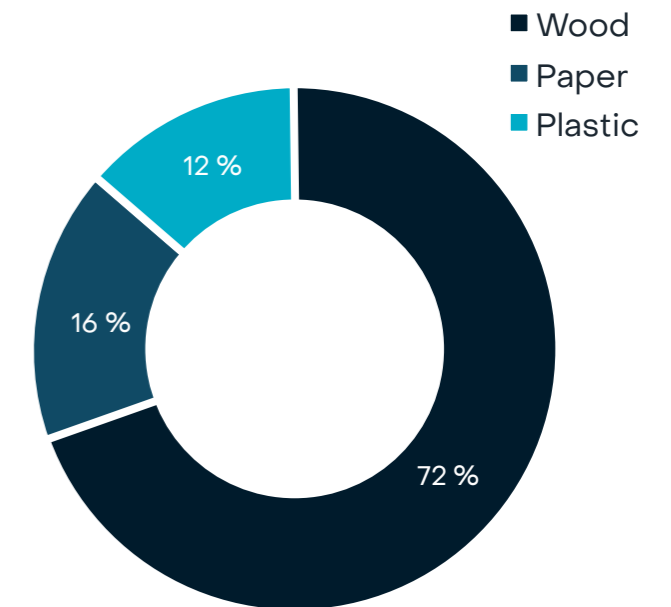
The figure relating to the use of wood is significant, as it accounts for 72% of the materials used for packaging. This is then followed by paper (15%) and finally plastic (12%). This happens because the goods produced are covered with film and then placed in wooden pallets.

Although plastic used for packaging is currently the least used material in our production process, HiRef is committed to further reducing its use. During the last two years, the packaging process of finished products was analysed and some handling and material waste was identified, which will be completely eliminated between 2024 and 2025.

The aim is to minimise the environmental impact of our packaging without compromising the quality and protection of the items.

- Type A2 packaging was used to the extent of 91%, i.e. flexible packaging with an effective and established industrial sorting and recycling chain, mainly from "Trade & Manufacturing".
- Type C packaging was used to the extent of 8%, i.e. packaging for which there are currently no ongoing recycling activities or which cannot be sorted/recycled with current technologies;
- Type B2.2 packaging accounted for 1%, i.e. other packaging that can be sorted/recycled from "Household Circuit" and/or "Trade & Manufacturing".

Against this backdrop, it should be noted that the most widely used type of plastic is that belonging to packaging with industrial sorting and recycling chain, identified as Group A2 according to the CONAI standard.



4.2.2 WATER

HiRef pays attention to the use of water both in production processes and in the civil sector in order to reduce water consumption and avoid waste.

With a view to promoting a more sustainable use of water resources, water recycling and reuse practices have been adopted over the years in production processes and general office and manufacturing facilities.

We have implemented an advanced system for recycling the water used in testing. This innovative system allows the water used during testing to be retained, preventing it from being dispersed or wasted. The recovered water is then reintegrated into our production process, ensuring an efficient and responsible use of water resources. This approach not only completely eliminates water waste, but also contributes significantly to our environmental sustainability strategy by reducing the overall ecological impact of our business. Moreover, thanks to this system, we are able to optimise the efficiency of our production operations, ensuring a more sustainable and environmentally friendly process.

WATER WITH-DRAWAL	2023	2022
Municipal aqueduct	1.99 ML	2.27 ML

WATER DIS-CHARGE	2023	2022
Sewer	1.98 ML	2.25 ML

WATER CON-SUMPTION	2023	2022
All areas	0.014 ML	0.015 ML

The new building, scheduled to open in 2025, will be equipped with an innovative rainwater harvesting system. This system includes an internal river conduit that feeds a pump to draw water for garden irrigation. We are also considering using these resources for civil purposes, further contributing to our water sustainability and reducing drinking water consumption.

4.2.3 WASTE

In 2023, 241.47 tonnes of waste were produced (+35.7% compared to 2022), with turnover increasing by 36.2%.

Most of the waste comes from the production process and the increase in its production was mainly due to an increase in industrial production activity.

HiRef follows precise guidelines, adhered to by all production sites, concerning the management of hazardous and non-hazardous waste, its appropriate disposal or recycling, if applicable, with a view to minimising the waste of resources and environmental impact. In addition, the manager in charge ensures that the relevant legal requirements are met.

The tables below show that approximately **93% of the waste produced is recovered.**

The focus on responsible waste management not only complies with current regulations, but also represents an important step towards an increasingly circular and environmentally friendly production model.

WASTE RECOVERED	2023	2022
Hazardous waste recycled	2.5 t	4.45 t
Non-hazardous waste recycled	221.75 t	158.39 t
TOTAL	224.25 t	162.84 t

WASTE DISPOSED OF	2023	2022
Hazardous waste	0 t	0 t
Hazardous waste	17.22 t	15.10 t
TOTAL	17.22 t	15.10 t



5. HUMAN
RESOURCES



5.1 APPROACH TO HUMAN RESOURCE MANAGEMENT

Until now, staff management in our Company has mainly focused on administrative aspects. Payroll management, for example, is outsourced to an external firm that works closely with our HR department. This approach has ensured efficiency and compliance in administrative practices, but we recognise the need for change. With the addition of a new professional to our HR team, we aim to significantly expand the scope of human resource management. The aim is to adopt a 360-degree approach that not only continues to effectively manage administrative aspects, but also encompasses **human capital empowerment** from both a collective and individual perspective. This new approach includes a focus on professional development, promoting **continuous training** and improving the skills of each team member. At the same time, we want to place greater emphasis on individual well-being, recognising how crucial it is for productivity and job satisfaction. We therefore intend to implement programmes that support not only the development of professional skills but also **personal well-being**, including initiatives that promote positive interactions within work groups.

Such a change is a fundamental step towards the adoption of a human resource management system that fully values each individual while contributing to the overall success of the company. With these new initiatives, we expect not only to improve operational efficiency, but also to create a more motivating and fulfilling working environment for all employees. Witnessing our commitment to respecting essential ethical values is the continuous pursuit of new certifications concerning ethics and social responsibility, such as UNI/PdR 125:2022. In its day-to-day business, HiRef aims to establish and maintain a positive relationship with primary and secondary stakeholders, working to respect certain essential principles. During the period under review, a number of initiatives were implemented in the HR department to improve the services offered to the various business units and to promote an innovative, employee welfare-oriented approach.

- **New Resource in HR Office:** A new resource was added to the HR Department with the aim of optimising the services offered to the various Business Units. The introduction of a new staff member aims to promote an approach to human resources focused on providing **more training opportunities and corporate welfare services** for all employees.
- **Gender Equality Certification:** The gender equality certification process got underway, with the aim of achieving certification in 2025. This initiative reflects our Company's commitment to **promoting gender equality** and creating an inclusive and diverse work environment.
- **Staff Skill Mapping Review:** A staff skill mapping review process was initiated to **develop individual growth plans** for each employee. This initiative aims to enhance their skills and unleash their potential by providing them with opportunities for professional and personal development.

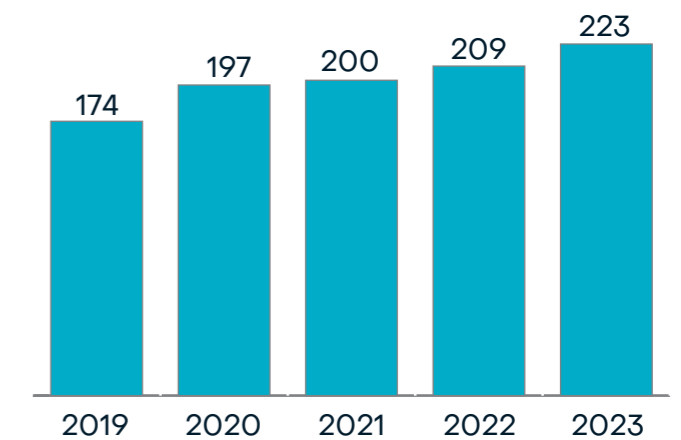
These endeavours are an important step forward in improving human resource management within our Company and reflect the organisation's commitment to creating a stimulating, inclusive and employee-friendly working environment.

5.2 WORKFORCE HIGHLIGHTS

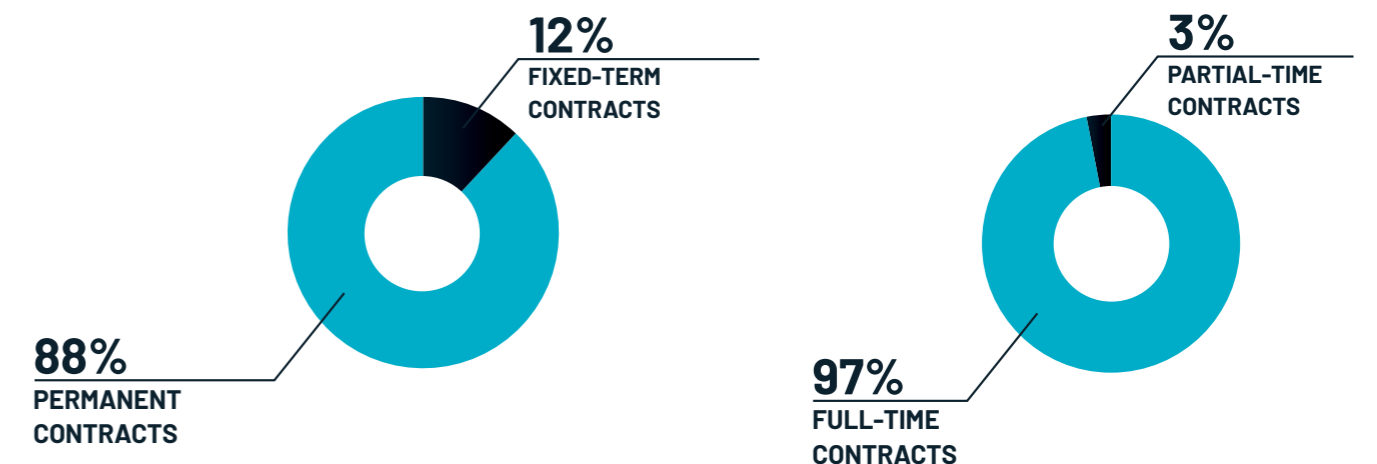
HiRef views employees as a key resource to be involved in company development. This assumption underlies our commitment to ensure **stable labour relations** and to foster the creation and maintenance of know-how and skills within the company, which are considered sources capable of providing a competitive edge.

HiRef's strong performance is strictly related to constant **investment in human capital**. The competitive advantage that HiRef has gained and intends to retain result from many factors, human resources certainly being one of them. Bearing out HiRef's constant growth is the headcount as at 31 December 2023, totalling 223 employees (of which 13% are women).

Headcount trend as at 31 December over the last 5 years



Type of HiRef staff contracts



TURNOVER

TURNOVER RATE	2021	2022	2023
NEGATIVE	8 %	14 %	8 %
POSITIVE	10 %	15 %	13 %
TOTAL	17 %	29 %	21 %
COMPENSATION	92 %	119 %	131 %

With regard to turnover, providing a trend analysis of the last three years is deemed appropriate. In 2021, the overall turnover rate was 17%, with negative turnover of 8% and positive turnover of 10%, both being rather not surprising thresholds for the market and type of business. In 2022, the overall turnover rate increased to 29%, with negative turnover of 14% and positive turnover of 15%. Compensation stood at 119%, showing a slight increase in the workforce affecting mainly the production area. In 2023, the overall turnover rate dropped to 21%, with negative turnover of 8%, in line with that reported in 2021, and positive turnover of 13%. Compensation stood at 131%. These data suggest that the Company faced significant changes in turnover over the years under review, with an upward trend in 2022 followed by a slight decrease in 2023. Compensation above 100% over the past two years means that positive turnover has exceeded negative turnover, reflecting the Company's **expansion strategy**. Finally, the 2023 figures show a not surprising turnover without any particular criticality.

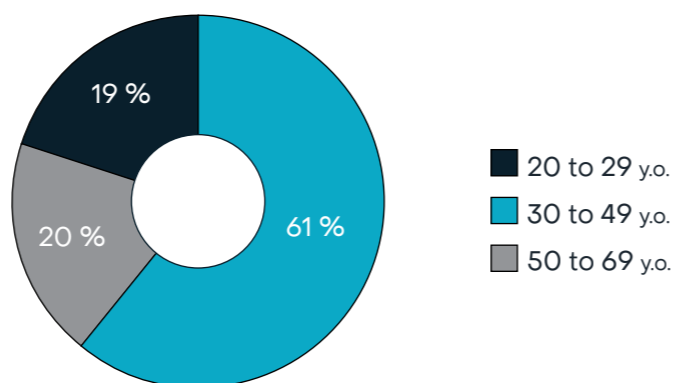
The data collected show a higher proportion of employees aged between 30 and 49. The other two categories identified, namely under-30s and over-50s, are equally present. These data show a **balanced composition of the labour force**. Another figure to highlight is the good percentage of under-30s, bearing witness to the Company's contribution to the problem of youth unemployment and inactivity. HiRef is committed to ensuring stability and continuity in the employment relationship with its employees.

At HiRef, employees are employed under national collective bargaining agreement (CCNL) applicable to the mechanical engineering sector. However, we would like to point out that we also have a second-level company contract signed on 2 May 2019 initially valid until 31 December 2021 and later renewed on 4 July 2023. On this occasion, an agreement was signed to

HIRINGS IN 2023	Male	Female	Total
WHITE-COLLARS	1	6	7
BLUE-COLLARS	7	0	7
TOTAL	8	6	14

A further aspect to be factored in along with turnover relates to **seniority**, on average **8.8 years**.

BREAKDOWN OF EMPLOYEES BY AGE



meet the demands submitted by the Work Council and union organisations in terms of financial and regulatory improvements in accordance with the provisions on second-level bargaining set out in the CCNL and current regulations.

The supplementary contract – which is valid until 31 December 2025, and in any case in force until a new company supplementary contract is drawn up – covers all the company's workers, ensuring additional specific working conditions and benefits in addition to those established by the national contract. The agreement reflects our commitment to the continuous improvement of working conditions and the well-being of our employees.

It should be stressed that there is no discrimination or difference in salary between the two genders as the basic salary is the one stipulated in the National Collective Labour Agreement and there are no codified procedures for the assessment of employees leading to their career development.

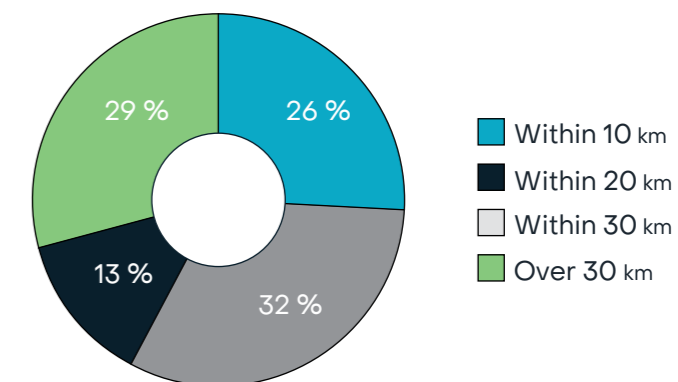
For the sake of thorough disclosure, it should be noted that the remuneration of the workforce in the sales category is also linked to commissions and possible bonuses for the achievement of targets set by management.

Another issue addressed is the type of employment agreements. One of the most significant figures lies in the fact that the large **majority of HiRef employees are hired on a permanent and full-time basis**.

It should be noted that there is no difference between benefits given to full-time employees and those extended to part-time and fixed-term employees.

EMPLOYEE GEOGRAPHICAL DISTRIBUTION

The majority of employees, 73%, come from the province of Padua. This figure shows a strong concentration of local labour, which facilitates logistics and presence at the workplace. The remaining 27% of employees come from other areas: specifically, 6 located in the province of Rovigo, 10 in the province of Venice and 1 in the province of Vicenza. The average distance from the workplace is 15.97 km. Regarding distance from the workplace, 32% of



employees live within a radius of 20 km, which means that one third of the employees can easily reach their workplace, reducing travel time and improving their quality of life. On the other hand, 29% of the employees live more than 30 km away from the workplace, which may result in longer travel times and the need to consider appropriate transport solutions for this group of employees.

5.3 TRAINING

During 2023, HiRef SpA delivered a wide range of training programmes designed to **enhance employees' skills** and improve operational efficiency for a **total of 4632 training hours** (equivalent to approximately 21 hours per capita). Here is an overview of the main training courses delivered:

Team Coaching Course

In July 2023, an intensive team coaching course was successfully completed. This programme was designed to **improve collaboration and communication** within teams. Interactive sessions and hands-on activities enabled employees to learn conflict management techniques, shared leadership and collaborative problem solving, contributing to greater team cohesion and productivity.

English Language Courses

Throughout the year, we provided both group and one-to-one English language courses for employees with different levels of language proficiency. These courses were designed to improve communication with international customers and partners while facilitating the understanding of technical documentation in English. Participants showed significant progress in speaking, listening, reading and writing skills.

Advanced MS Excel Course

We delivered an advanced MS Excel course with a view to improving employees' skills in data analysis, complex report creation and database management. The course covered advanced features such as pivot tables, complex formulas and data viewing tools, enabling participants to work more efficiently and accurately.

Training on the job for our new CRM

To support the implementation of the new management software, we organised on-the-job training sessions. This training approach allowed employees to learn directly in the field, using the new CRM in their daily activities under the guidance of experts. This method accelerated the learning process and ensured a smoother transition to the new system.

Cyber Security

With the rise of cyber threats, cyber security training has become essential. We delivered cyber security courses for all VDT operators, focusing on protecting corporate data, recognising phishing attempts and other threats, and best practices for ensuring information security. This raised awareness of risks and helped create a culture of IT security across the company.

Production Safety Courses

Safety at work is a top priority. We organised specific courses on safety in manufacturing, covering current regulations, the appropriate use of personal protective equipment (PPE), and emergency procedures.

Lean Course

To optimise production processes and reduce waste, we introduced a course on Lean methodology. The course provided tools and techniques to improve operational efficiency, identify and eliminate non-value-added activities, and promote a culture of continuous improvement. Participants were able to apply Lean principles directly in their departments, achieving tangible results in terms of efficiency and quality.

Overall, the training provided in 2023 covered a wide range of key competences, **contributing significantly to the professional development of our employees**. These training programmes have not only improved the technical and operational capabilities of our team, but have also encouraged a corporate culture of collaboration, safety and continuous improvement. We will continue to invest in training to **ensure that our staff are always ready to face future challenges and support company growth**.

With regard to in-company training periods, such as internships and apprenticeships, 18 people were involved, including 5 white collars and 13 employees working in the production department.



Some of these internships were carried out in collaboration with the University of Padua, while others were part of the *Percorsi per le Competenze Trasversali e l'Orientamento* (PCTO - Pathways for Soft Skills and Orientation), in agreement with local high schools.

An extremely positive fact is worth emphasising: **22% of the people who were part of an internship or apprenticeship programme were hired by the Company**.

This result underscores not only the effectiveness of our training programme, but also the Company's commitment to developing young talent by offering them real career opportunities.

5.4 DIVERSITY AND INCLUSION

When selecting and managing human resources, we rely on practices and policies that do not discriminate against any person on the basis of protected characteristics such as age, gender, sexual orientation, ethnic origin, union membership, health condition or disability.

FOREIGNERS

HiRef is proud to promote diversity and inclusion, including by recruiting foreign employees. We believe that **cultural diversity enriches our working environment** while encouraging innovation. Currently, our team consists of professionals from different countries, each of whom brings unique experiences and perspectives. All HiRef's foreign employees are employed under regular contracts, guaranteeing them equal opportunities and rights in the workplace. HiRef is committed to creating a welcoming and inclusive working environment for everyone, regardless of their nationality. Below are some figures relating to foreign employees: Overall, therefore, the presence of foreigners accounts for about 4% of the total number of employees.

FOREIGNERS			
WHITE-COLLARS	1	2	3
BLUE-COLLARS	4	1	5
TOTAL	5	3	8



5.5 HEALTH AND SAFETY

Viewing workers' health and safety as a **fundamental** objective to be pursued in the conduct of company business, HiRef S.p.A.'s top management makes every effort to ensure that in the discharge of all company activities (whether relating to production or otherwise) the protection of the physical safety of workers and all other parties concerned is carried out in compliance with applicable laws in force and the international standards to which HiRef has decided to comply with.

More specifically, the Company undertakes to:

1. Use its best efforts to drastically reduce occupational accidents and illnesses by working on prevention as a priority, inasmuch as no activity – no matter how urgent – justifies failure to comply with safety conditions;
2. Take action to improve security. Security-related actions are a key element in the assessment of each individual's activities;

The company structure as a whole (workers, managers, supervisors, independent contractors, etc.) plays a key role in creating a safe working environment and everyone has a responsibility to respect and enforce procedures and regulations:

1. All workers participate, according to their duties and competences, in the achievement of the objectives that have been set. Specifically, line managers play an active and proactive role in the continuous improvement of the system;
2. Management undertakes to:
 - Define and implement methodologies for the identification of hazards and the assessment of health and safety risks, the design of appropriate prevention and protection measures, taking due account of the organisational, technological and social variables involved;
 - Ensure consultation with employees, through the Workers' Safety Representative, on

- occupational health and safety aspects;
- Ensure that all workers are adequately informed and trained on the contents of this policy and on all health and safety issues relating to HiRef's activities, both at the time of recruitment and throughout their employment;
- Ensure that the activities carried out by independent contractors within the plant are conducted in such a way as to safeguard the health of workers, third parties and the community in which our Company operates;
- Conduct an annual review of the Company's health and safety performance, during which the adequacy and level of application of this policy will be reviewed and objectives and improvement plans will be defined, consistent with the Company's activities and the aspects identified as most critical;
- Promote cooperation between the different company resources and collaborate with business organisations, trade unions, supervisory bodies, secondary schools and universities on health and safety issues.

In conclusion, HiRef remains firmly committed to **ensuring a safe and healthy working environment** for all, recognising that safety in the workplace is a top priority that requires constant commitment and the active participation of every member of the organisation.

ACCIDENTS	2023	2022
Number of accidents recorded	7	3
Number of accidents resulting in serious consequences	0	0
Number of deaths	0	0
Number of hours worked	424931	394970
Rate of accidents at work recorded*	3.29	1.52
Rate of occupational accidents resulting in serious consequences (excluding deaths)*	0	0

*Calculation method: ratio of the number of accidents to the number of hours worked, multiplied by 200,000.

As can be seen from the table, the number of accidents increased between 2022 and 2023, while the number of hours worked and the number of employees increased.

6. SUPPLIERS

6.1 MANAGEMENT OF DEALINGS WITH SUPPLIERS

HiRef attaches great importance to building **stable and lasting relationships with its suppliers**, considering them essential partners in achieving the Company's objectives. Our Company is committed to working with suppliers that **share environmental, social and governance values and principles** (ESGs). Suppliers are selected and managed according to strict criteria, where transparency, integrity and the adoption of sustainable practices are preferential conditions to be met. This approach translates into a constant search for suppliers that operate according to the highest ethical and environmental standards, ensuring that each stage of the supply chain contributes positively to the Company's sustainability goals. HiRef promotes **open and continuous communication** with its suppliers for compliance with ESG values, thus driving mutual and sustainable growth. We enjoy long-lasting and solid relationships with our suppliers, many of whom have been working with our Company since 2001, the year of our foundation. This long-term commitment not only bears witness to the trust and mutual reliability built up over the years, but is also a key enabler for the Company's sustainability and social responsibility strategy. These established relationships enable us to develop innovative and sustainable solutions, jointly implementing projects that aim to reduce environmental impact while improving social conditions in local communities. Maintaining long-standing relationships with suppliers allows HiRef to ensure continuity of high-quality supplies, facilitate the implementation of shared ESG practices, and **drive joint growth based on ethical and sustainable values**.

6.2 HIGHLIGHTS OF OUR SUPPLIER BASE

HiRef works with a select number of qualified suppliers, spread across various geographical locations to **optimise the supply chain** and **minimise the environmental impact of transport**. Below are some key figures on our supplier base:

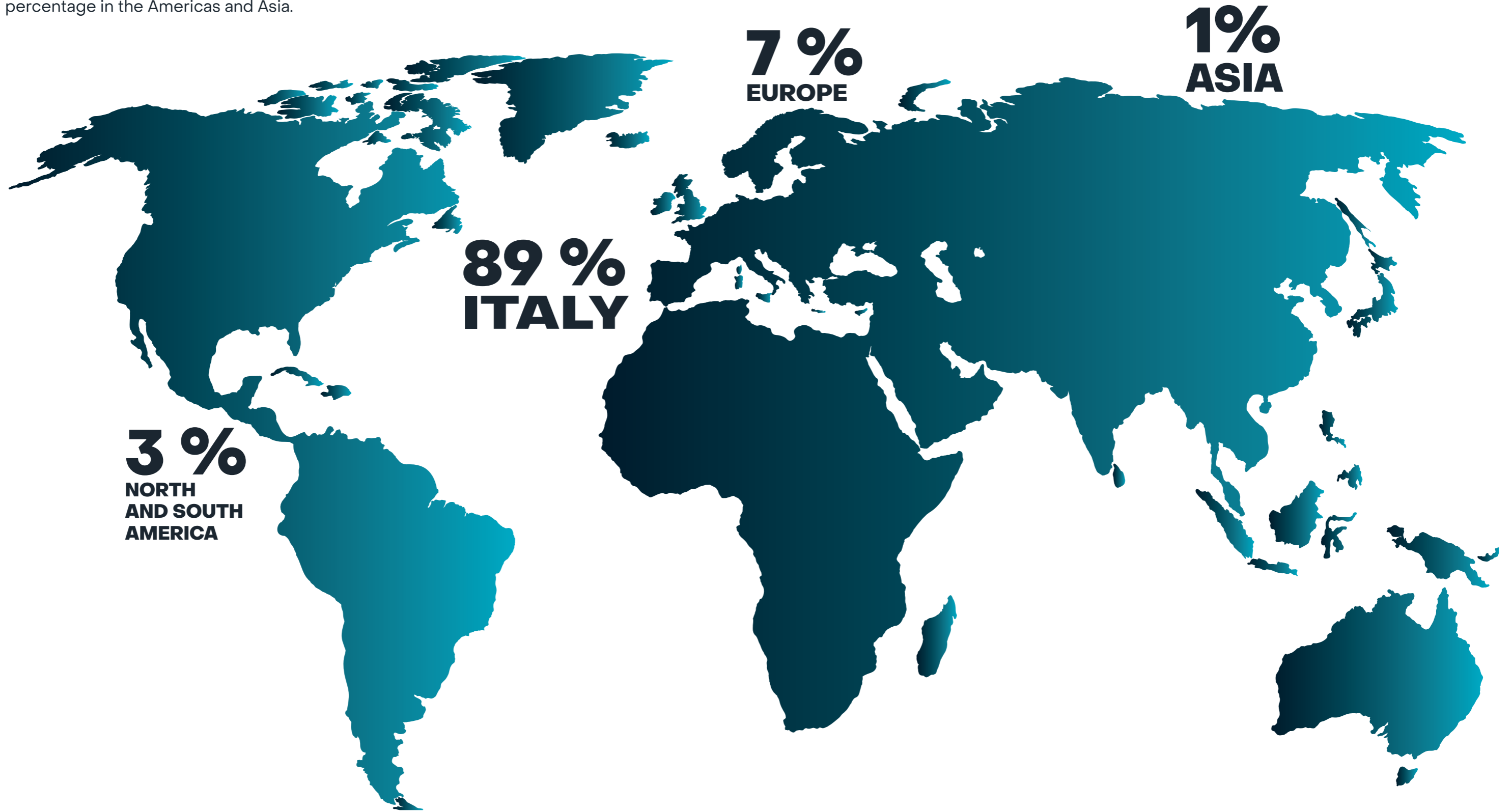
Total number of suppliers: over 150 suppliers

Supply chain characteristics: our suppliers range from small and medium-sized firms to large international companies, all with proven experience in the HVACR sector. We favour local and European suppliers, thus ensuring a more sustainable supply chain, higher product quality and better communication and collaboration. This strategic choice not only supports the local economy, but also reduces transport-related CO₂ emissions, contributing significantly to HiRef's environmental goals. In addition, such an approach allows us to **support the local economy and reduce environmental impact while** ensuring the provision of high quality materials and services to our customers.



Geographical location:

Most of our suppliers are located in Italy, with a significant presence also in the rest of Europe and a smaller percentage in the Americas and Asia.

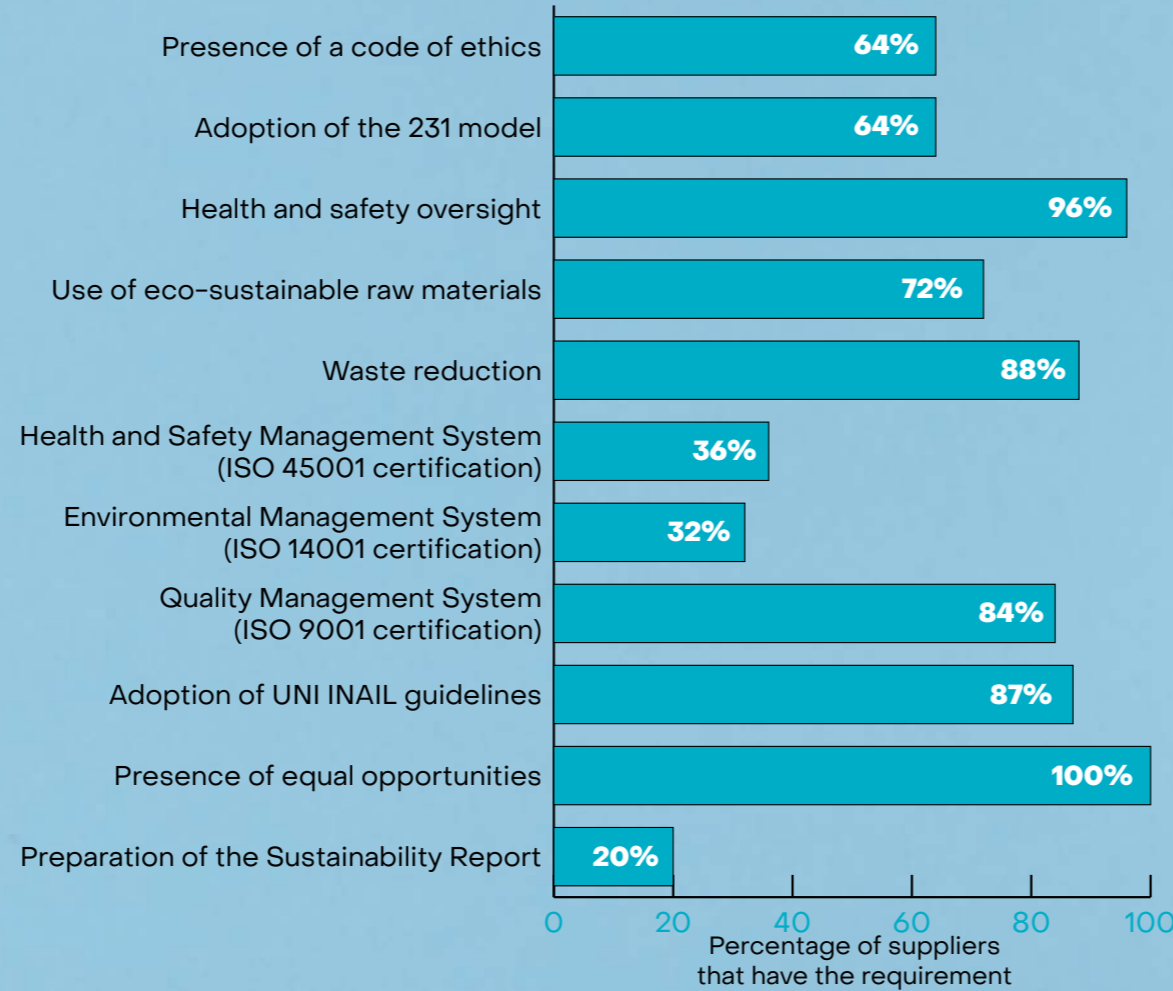


It should be noted that the percentage of suppliers shown is not related to the number of purchases made during 2023. HiRef will update these figures in the next edition of the Sustainability Report.

6.3 OUTCOME OF ESG SURVEY

In 2023, in order to ensure continuous alignment with ESG principles, HiRef launched an ad hoc survey designed for its main suppliers. This survey set out to assess ESG aspects in the supply chain, investigating practices related to sustainability and business ethics. In detail, the survey explored the requirements listed in the chart below, considering aspects such as environmental impact, social responsibility and corporate governance. The survey was sent to HiRef's top 35 suppliers, with a response rate of 66%, allowing us to gain deep insights into the approach to sustainability issues adopted by the different suppliers.

MAIN FINDINGS OF THE SURVEY



7. CUSTOMERS



7.1 GLOBAL MARKET OVERVIEW AND HIREF'S APPROACH

Increasing urbanisation is having a direct impact on the demand for HVAC systems as more and more people move into urban areas, increasing the need for residential, commercial and industrial buildings requiring heating, ventilation and air conditioning systems. This trend is particularly evident in emerging economies, where **the rapid expansion of cities is fuelling the construction of new buildings fitted with the latest HVAC technologies.**

At the same time, **the HVAC industry is witnessing a significant technological transformation with the development and adoption of energy-efficient solutions.** These advanced systems not only reduce energy consumption and operating costs, but also contribute to the reduction of greenhouse gas emissions, thus addressing growing environmental concerns. Increasingly stringent government regulations on energy efficiency are pushing manufacturers to innovate and develop more sustainable and efficient products.

In addition, **the integration of smart technologies into HVAC systems, such as programmable thermostats and occupancy detection sensors, is further improving efficiency and comfort for end users.** These smart devices ensure a more accurate management of the indoor climate, automatically adapting to occupants' needs and environmental conditions, thereby optimising overall energy performance.

The market for HVAC systems is also influenced by increased investment in infrastructure, particularly in sustainable construction projects. The adoption of green building certifications, such as LEED - Leadership in Energy and Environmental Design, is becoming common practice, requiring the installation of HVAC systems that meet high standards of energy efficiency and environmental sustainability.

In summary, the combination of increased urbanisation, technological innovation and

growing environmental concerns is the driving force behind the robust growth of the global HVAC market. **With a projected CAGR of 11.9% until 2030*, the sector is set to evolve rapidly, offering significant opportunities for manufacturers, investors and end consumers.** Against such a dynamic backdrop, at HiRef we place great emphasis on customer relations, offering innovative and customised solutions. **We are aware that the key to making the most of these growth opportunities lies in our ability to understand and respond to the specific needs of our customers. Therefore, we work closely with them to co-design solutions that exactly meet their needs.** This approach allows us to provide products that not only improve indoor comfort and optimise energy efficiency, but also perfectly fit each customer's specific operating context.

Our customised consulting, coupled with the continuous updating of our technologies, allows us to keep a technological leadership position in our industry. **At HiRef, the customer is at the centre of everything we do,** and we work tirelessly to exceed their expectations, thus contributing to the sustainable growth of the global market. Our personalised consultancy allows us to fully understand our customers' needs, thus delivering products that improve indoor comfort and optimise energy efficiency. We maintain a technological leadership position by continuously upgrading our solutions, ensuring advanced and sustainable HVAC systems.

* Source: Business Market Insights

7.2 HIGHLIGHTS OF OUR CUSTOMER BASE

HiRef groups its customers into three specific categories:

- The end user is the main player on which the company focuses its attention. Investments, operations, resources, R&D, products and services are all focused on satisfying the needs of the end user.
- The general contractor plays a key role in managing and supervising the construction process from start to finish. His tasks include managing the budget, selecting and hiring subcontractors, selecting and purchasing materials, preparing the timeline for the various teams, and supervising them during work. He is responsible for adhering to delivery times and resolving any problems. He is also responsible for discharging formalities and site safety.
- The installer is crucial for the "closing" of the value chain and the sales process. The "installer-customer" needs a different business strategy from the previous one.

Another key role is played by the designer, as he is a key partner who contributes to the creation of our value proposition by "influencing" the choices of the end user.

HiRef segments its market into three main cooling categories: IT Cooling, Industrial Cooling and Commercial Cooling. Each segment is further broken down to identify customer types and their specific needs accurately.

IT Cooling is dedicated to cooling solutions for IT infrastructures, in particular for data centers and telecommunications. This segment is crucial insofar as effective cooling is essential to ensure uninterrupted operations and safety of IT equipment.

End User: includes the main end users of IT cooling solutions.

- **Data Center Provider:** These providers offer large-scale data center infrastructures and are classified according to their size and capacity.
- **Hyperscale:** Hyper-scale data centers are huge facilities housing tens of thousands of servers and supporting large operators.
- **Enterprise:** These are enterprise-sized data centers, usually operated by large companies for their internal use.
- **Modular:** Modular data centers that can be rapidly expanded with prefabricated units.
- **Edge:** Small data centers positioned close to end users to reduce latency and improve performance.

Data Center User In-House: This category includes companies that manage their own in-house data centers.

- **Data Processing Centre (DPC):** Small and medium-sized data centers managed in-house by companies.
- **Banking, Finance, Institution:** Sectors requiring high reliability and security for the management of sensitive data.
- **Telecom:** It includes telecommunication service providers that need cooling for their network infrastructure, such as base stations and switching centres.

Industrial Cooling is dedicated to cooling solutions for various industries. This segment is crucial for temperature control and thermal management in production processes and industrial facilities.

End User: It includes a wide range of industries with specific cooling needs:

- **Manufacturer:** Production plants requiring cooling for machinery and industrial processes.
- **Pharmaceutical:** Pharmaceutical industries that require controlled climatic conditions for the production and storage of drugs.
- **Chemical:** Chemical industries that require strict temperature control to ensure the safety and efficiency of chemical processes.
- **Oil & Gas:** Cooling for oil and gas extraction and refining plants.
- **Food & Beverage:** Cooling for the production, processing and storage of food and beverages.
- **Healthcare:** Healthcare facilities that need reliable cooling systems for medical equipment and sterile environments.

Commercial Cooling is dedicated to cooling solutions for commercial and public buildings. This segment is essential to ensure comfort and functionality in various commercial environments.

End User: It includes different types of buildings and commercial space:

- **Building:** Cooling for various buildings, including:
- **Retail:** Shops and shopping malls that need a comfortable environment for customers and staff.
- **Company Offices:** Company offices that require effective climate control to ensure a productive working environment.
- **Public Offices and Spaces:** Public offices and spaces open to the public, such as museums, which require stable environmental conditions for the well-being of visitors and the preservation of artifacts.

HiRef's customer segmentation in the HVACR sector is key to offering highly specialised cooling solutions optimised for the specific needs of each market. **By understanding the different needs of its customers, HiRef can provide cooling systems that improve operational efficiency, ensure safety and increase customer satisfaction in various industrial and commercial sectors.**

7.3 SALES NETWORK IN ITALY AND ABROAD

HiRef's sales network is strategically organised both nationally and internationally to **ensure effective and extensive market coverage**. In Italy, HiRef operates through a well-structured territorial distribution by relying on specialised agencies. These agencies are an arm of our sales department, acting as direct intermediaries with customers and ensuring a constant presence and dedicated support across the territory. This model allows us to maintain **close and personalised contact with our customers, responding promptly to their needs and providing tailor-made solutions.**

In dealings with large accounts, HiRef takes a different, more centralised approach, managing relationships at management level. This approach allows us to develop stronger and more lasting relationships with key market players, making it easier to understand their specific needs and provide advanced and customised technological solutions. Sales management with large accounts is a key driver for establishing a solid and strategic partnership, contributing to mutual growth and long-term success.

With regard to the foreign market, HiRef has adopted a diversified distribution system to respond to the different patterns and peculiarities of the various international markets. Sales outside Italy are handled through a network of **carefully selected local distributors**. They are chosen for their expertise and knowledge of the local market, thus ensuring effective market penetration and support of customers in each geographical area. Working with external distributors allows HiRef to benefit from their experience and established

network of contacts, facilitating access to new market segments while improving our brand visibility globally.

In addition, **HiRef has established several branch offices abroad that operate directly under our supervision**. In addition to acting as operational sales centres, they play a crucial role in providing technical assistance and after-sales support to local customers. Having a direct presence through branch offices allows HiRef to maintain a high level of control over service quality and to increase customer loyalty, ensuring that their needs are met quickly and efficiently.

In conclusion, our sales network, both in Italy and abroad, **is designed to be flexible and adaptable, capable of responding promptly to different market demands and guaranteeing continuous support to our customers**, while promoting the expansion and consolidation of our global footprint.



8. RELATIONS WITH THE COMMUNITY



8.1 PARTNERSHIPS WITH ACADEMIC AND HIGHER EDUCATION INSTITUTIONS

HiRef places inestimable value on training and education, actively collaborating with the University of Padua and numerous other universities in Italy and Europe. These collaboration schemes not only bear witness to our commitment to innovation and research, but also represent a crucial bridge between academia and manufacturing.

To date, **more than 40 dissertations have been completed, involved directly HiRef as a subject-matter or resulting in research and development projects, mainly in the field of engineering.** These dissertations made it possible to gain insights to significant technical issues and launch new innovation endeavours within the Company.

Our collaboration, however, does not stop at universities, **as we are also strongly engaged with local high schools.** Every year, many students spend training periods at HiRef, supplementing their schooling with meaningful practical experience that prepares them to enter the labour landscape with competence.

These partnerships represent for HiRef not only an opportunity for growth and development, but also a concrete commitment to building a future in which training, research and innovation are the mainstays of our success.



As Worthy Supporting Members of the Friends of the University of Padua Association, we are proud to promote and develop a permanent link between the business and university landscapes. We consider it essential to support, enhance and strengthen this bond, offering young talents the opportunity to express and increase their potential in a real working environment.



Since 2014, HiRef has been a Supporting Member of the CUOA Foundation, a partnership that provides us with continuous stimuli and useful references for the development of skills in management. Participation in this high-quality network allows us to strike a dialogue with other excellent organisations, gaining insights and ideas to constantly improve our management and strategic approach.

8.2 MAURO MANTOVAN DEGREE AWARDS



In 2023, two Degree Awards were given **in memory of Mauro Mantovan**, with the aim of supporting innovative projects designed to develop integrations between buildings and activities in urban and suburban settlements. These projects **aim to minimise anthropogenic impacts and ensure a better quality of life for future generations.**

The project, supported by the Friends of Padua University Association and the University of Padua Alumni Association, with the patronage of the School of Engineering of the University of Padua and in collaboration with CUOA Business School and the CUOA Alumni Association, is aimed at awarding a prize to two graduates in all the Master's or Combined Bachelor and Master's degree courses of the School of Engineering of the University of Padua. The winning dissertations of the first edition were:

- "A study of R290 gas concentration in air in case of leakages from a refrigerating circuit of a heat pump unit"
- "Optimisation of the layout of perimeter air-conditioning units in a raised-floor data center using fluid dynamics analysis and genetic algorithm".

In 2024, the second edition of the call for entries for the two prizes will be held, continuing our commitment to support innovation and research in strategically important fields.



8.3 The HiAcademy

In 2023, the HiAcademy project was launched – the HiRef Group's Training Centre – which aims to offer high-value training content for both internal and external personnel.

HiAcademy stands out for a variety of educational proposals, including:

- **YouTube video clips:** short informative and educational videos available on our YouTube channel, designed to provide quick and accessible updates on relevant topics.
- **Technical webinars:** online training sessions dedicated to sales agents and service personnel, focusing on specific, topical technical issues, with the aim of improving skills and operational effectiveness.
- **In-person training meetings:** training events organised at our premises, which offer the opportunity to learn through direct interaction with industry experts and colleagues, encouraging exchange of knowledge and professional growth.

For example, the first CAT Training was held last September, in cooperation with Eneren Srl.

This event, dedicated to authorised Technical Service Centres (*Centri di Assistenza Tecnica*), took place over two days and covered the most frequent intervention cases in the field of NCS and UNI software relating to chillers, heat pumps and multi-purpose heat pumps, alternating theoretical and practical sessions.

Three CAT Training meetings were held between September and November 2023, with a total turnout in the region of 80 participants.

The HiAcademy project represents a cornerstone for the continuous growth and improvement of skills within the HiRef Group, underlining our commitment to excellence and innovation in the area of training.



> VIDEOPILLS <



A PROJECT OF
HiRef

8.4 SUPPORT TO ASSOCIATIONS

8.4.1 INDUSTRY ASSOCIATIONS



ADCA Africa Data Centres Association

ADCA, Africa Data Centres Association, represents the interests of commercial data center operator community in Africa, with the aim of enhancing the understanding and relevance of the industry.

The mission is to provide a platform for African data center operators, both commercially and politically, with the overall objective of promoting and developing the growth of the industry.



OnGreening.com

HiRef supports OnGreening.com, The digital platform developed for designers of sustainable and LEED, WELL, BREEAM certified buildings. In fact, HiRef products have applied for "green" certifications.



EU Code of Conduct for Energy Efficiency in Data Centres

We support and share the EU code of conduct for energy efficiency in Data Centers. We believe in the importance of reducing energy consumption and we want to contribute to building a sustainable future for the next generations.



AiCARR: Italian Air Conditioning Heating and Refrigeration Association

We are a supporting member of AiCARR, the Italian Air Conditioning Heating and Refrigeration Association.



IDA: Italian Data Center Association

We are partner members of IDA, the Italian Data Center Association.



HPF: Heat Pump Federation

We are members of the Heat Pump Federation (HPF) together with our partners at HiRef UK.

8.4.2 OTHER ASSOCIATIONS



The Fairy Children Association

The Fairy Children Association: a social organisation that supports projects aimed at securing financial support and providing social inclusion paths for families of people with autism spectrum disorders and other disabilities.

8.5 EUROPEAN INITIATIVES AND PROJECTS

INITIATIVES

Starting in 2025, following the opening of the new production facility that will expand the existing one, HiRef will join an Energy Community. In particular, in cooperation with other companies in the Tribano area, HiRef will supply the municipality and its inhabitants with excess electricity produced by the photovoltaic park that will be installed. This initiative will promote environmental sustainability while contributing to creating a virtuous model of energy management at the local level, encouraging greater energy autonomy and reducing the overall environmental impact.

EUROPEAN PROJECTS

Over the years, HiRef has had the opportunity to participate in many major European projects. This experience has allowed us to actively collaborate in the design, development and implementation of advanced systems and technologies in the heating and cooling sector. These initiatives were geared towards respecting the environment and promoting sustainability. Our participation in these projects has both strengthened our technical expertise and consolidated our commitment to innovative and sustainable solutions in line with European directives and the growing needs of the global market.

DEHUMID (2005-2007)

FP6-2003-SME-1 Novel Liquid Desiccant Dehumidification System

The project aim was to develop and test a low cost, compact and low energy consumption liquid desiccant-based dehumidification system. The advantages of this system were the improvement of air quality and comfort in indoor environments, humidity control and improved capacity of the refrigerant compressor.

SHERHPA (2004-2007)

FP6-2002-SME-2 Sustainable Heat and Energy Research for Heat Pump

This project aimed to develop efficient heat pumps in energy and cost terms, compliant with new environmental regulations through the use of natural

refrigerants, such as propane and low-charge heat exchangers.

GROUND-MED (2009-2013)

FP7-ENERGY Advanced ground source heat pump systems for heating and cooling in Mediterranean climate

The project involved the development of geothermal heat pumps for heating and cooling, suitable for installation in Southern European countries with a typically Mediterranean climate. Part of the development work involved the optimisation of the "variable speed" concept applied to all the devices on board the heat pumps.

GEOTECH (2015-2019)

H2020-LCE-2014-2 Geothermal Technology for Economic Cooling and Heating

The aim of the project was to develop more affordable heat pumps, simpler and faster to install in a plug-and-play system configuration. We also tested the use of low-GWP A2L refrigerants and the development of hybrid source heat pumps.

CHEAP-GSHPs (2015-2019)

H2020-LCE-2014-2 Cheap and efficient application of reliable ground source heat exchangers and pumps

The project saw the development of new systems in the field of geothermal energy to reduce capital and running costs of the surface geothermal systems and to improve safety during installation and operation, particularly in historic and listed buildings. This project has facilitated the study and progress of transcritical CO2 technology applied to refrigerants in heat pumps.

GEO4CIVHIC (2016-2019)

H2020-LCE-2017-RES-IA Easier to install and more efficient geothermal systems for retrofitting buildings

The project involved the development of geothermal systems that are easier to install, efficient and above all suitable for fitting in historic or existing buildings.

8.6 EXCHANGE OPPORTUNITIES, IN-SITU AND VIRTUAL

In 2023, HiRef participated in several major trade fairs in the HVAC sector, which provided valuable opportunities to reach out to new customers and further expand our network within the HVACR sector, thereby strengthening our market presence.



At the same time, we staged key events to strengthen relations with our partners and distributors. Among these was the Italian Agents' Meeting, which saw the direct involvement of our national sales network, and the International Sales Conference, an important opportunity to meet foreign distributors, fostering strategic exchanges and international collaboration. These events helped us gain a stronger foothold and lay the foundation for new growth opportunities.



Over the past year, we have witnessed a significant expansion of our online community, a tangible reflection of the growing interest and involvement in our Company and its values.

HiRef S.p.A.'s LinkedIn page, our virtual meeting point where we share updates, innovations and highlights of our business, has seen a significant increase in the number of followers.

Starting from a base of around 4900 followers in January 2023, we culminated in a 20% increase in our follower base. This

remarkable increase brought us close to the 6,000-follower mark by December 2023, a milestone that bears

witness not only to the growing interest in our Company, but also to the effectiveness of our communication strategies and the value of our proposition in terms of sustainability and technological innovation.

The growth pattern of our LinkedIn community is a clear indicator of the positive response to our initiatives and ongoing commitment to promoting sustainable practices and cutting-edge solutions. This growing trend fills us with pride as well as being a powerful engagement tool through which we can interact with a wide audience interested in issues of both local and global significance. The steady increase in followers is proof of the effectiveness of our message and our ability to engage professionals, stakeholders and enthusiasts in a meaningful dialogue on sustainability and innovation.



A P P E N D I X

9.1 NOTE AND METHODOLOGICAL REFERENCES

This document is HiRef S.p.A.'s first sustainability report (HiRef S.p.A hereinafter also being referred to as "HiRef", "Company" or "Business") and will be prepared on a yearly basis.

By preparing this document, drawn up in line with the most widely used international reporting standard, HiRef sets out to provide its stakeholders with an initial overview of its commitment to the sustainable development paradigm.

The decision to provide this disclosure on a voluntary basis is part of the path defined by the Corporate Sustainability Reporting Directive (CSRD), whereby as of financial year 2025 large enterprises – such as HiRef – are required to submit a report on sustainability issues, with publication thereof in 2026.

Unless otherwise specified, the data contained in the sustainability disclosure refer to HiRef S.p.A. and cover the period spanning from 1 January 2023 to 31 December 2023. Where possible, comparisons with the previous year were shown. The scope of the information and data shown in the sustainability report is the same as the one applicable to the Annual Report of HiRef S.p.A. for the year ended 31 December 2023. Differences in scope, if any, are expressly shown in the document.

HiRef has prepared its Sustainability Disclosures by adopting – as a methodological reference – the GRI Sustainability Standards 2021 (hereinafter the "GRI Standards") issued by the GSSB – Global Sustainability Standards Board, according to the "with reference to" options. It should be noted that in preparing this first sustainability report no reliance was made on the materiality analysis (according to the GRI Standards approach), i.e. the analysis designed to identify the issues that represent the most significant economic, environmental and social impacts of an organisation. The topics reported on in this

document are the result of an analysis carried out using internal (such as the Business Plan) and external supporting documents (e.g., the topics of the 2030 Agenda, outlined in the 17 Sustainable Development Goals (SDGs); topics contained in reporting standards, with special reference to the GRI Standards; sustainability disclosures published by competitors, customers and suppliers). The collection of available information started with respect to the issues that emerged from this analysis, according to the disclosure requirements under the GRI Standards.

This document was produced by an internal working group consisting of representatives from different company areas, together with the support of an independent firm. As part of the information-gathering process, those involved provided the content for which they were responsible by retrieving information from the Company's information systems.

As required under the GRI Standards, the "GRI Content Index" is included in the Appendix, detailing the content reported.

For more information on HiRef S.p.A.'s Sustainability Report, please contact info@hiref.it or marketing@hiref.it.

This document was approved by the Board of Directors of HiRef S.p.A. on 2nd September 2024, and is available on the corporate website.

DESCRIPTION OF CORPORATE SUSTAINABILITY RESPONSIBILITIES

The Company has identified the following sustainability areas and the relevant supervisors. The Operating Board of Directors (OBD) was designated as the main body responsible for the overall management of sustainability issues.

1. Environmental Sustainability

CEO/Chief Operating Officer (COO): General supervision.

OBD: Operational decisions in environmental matters.

Quality: Integration of environmental policies into processes.

Research and Development (R&D): Innovation of eco-sustainable solutions.

2. Corporate Social Sustainability

CEO/COO: Supervision of social policies.

OBD: Decisions on social issues.

Marketing (MKTG): Communication of social initiatives.

Human Resources (HR): Well-being management and inclusion.

3. Financial sustainability

CEO/COO: Supervision of ethical business strategies.

OBD: Discussion on ethical profit and stakeholder value.

The OBD acts as the main contact point for sustainability and will be responsible for decisions and discussions on all related issues.

Data on energy, gas, petrol, water, waste are entered in the Consumption Register.

Data processing to calculate GJ:

- Electrical energy x conversion factor (constant)
- Natural gas, diesel oil, petrol x conversion factor (ISPRA – National Standard Parameters Table 2022 and 2023)

Data processing to calculate tonnes of CO₂:

- Electricity x CO₂ emission factors (ISPRA – Indicators of efficiency and decarbonisation of the national energy system and the power sector (386/2023)) Table 1.13 – Emissions factors in the power sector (g CO₂/kWh)
- Natural gas x CO₂ emission factors (ISPRA – National Standard Parameters Table 2022 and 2023)
- Diesel oil x density (DEFRA "Greenhouse gas reporting: conversion factors") x CO₂ emission factors (ISPRA – National Standard Parameters Table (2022 and 2023))
- Petrol x density (DEFRA "Greenhouse gas reporting: conversion factors") x CO₂ emission factors (ISPRA – National Standard Parameters Table (2022 and 2023))

9.2 GRI CONTENT INDEX

The Company has provided disclosure on issues mentioned in the following GRI content index for the period spanning from 1 January 2023 to 31 December 2023 with reference to the GRI standards.

GRI STANDARDS	DISCLOSURE	CHAPTER / PARAGRAPH NOTES
GRI 2: General Disclosures (2021)	2-1 Organisational details	1.1
	2-2 Entities included in the organisation's sustainability reporting	9.1
	2-3 Reporting Period, Frequency and Contact Point	9.1
	2-6 Activities, value chain and other business relations	1.4, 6.1, 6.2, 6.3, 7.2, 7.3
	2-7 Employees	5.2
	2-9 Governance structure and composition	3.1
	2-11 Chair of the highest governing body	3.1
	2-12 Role of the highest governing body in overseeing the management of impacts	3.1, 9.1
	2-13 Delegation of responsibility for managing impacts	3.1, 9.1
	2-14 Role of the highest governance body in sustainability reporting	3.1, 9.1
	2-22 Statement on sustainable development strategy	Letter to stakeholders, 21 2.2, 23
	2-23 Policy commitments	3.2
	2-25 Processes to remedy negative impacts	4.1
	2-26 Mechanisms for seeking advice and raising concerns	3.2 In 2023 HiRef S.p.A. established appropriate internal procedures and channels for reporting violations or irregularities, ensuring confidentiality in respect of the information received and the protection of whistleblowers against any form of retaliation. These measures were adopted in line with the provisions of Legislative Decree 24/2023, implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.
	2-27 Compliance with laws and regulations	There were no incidents of non-compliance with laws and regulations.
	2-28 Membership associations	8.4
	2-29 Approach to stakeholder engagement	3.3, 8.1, 8.2, 8.3, 8.6

GRI STANDARDS	DISCLOSURE	CHAPTER / PARAGRAPH NOTES
GRI 2: General Disclosures (2021)	2-30 Collective bargaining agreements	All employees of HiRef S.p.A. are covered by the National Collective Labour Agreement (aka CCNL) applicable to the mechanical engineering and plant installation industry. This agreement governs the rights and obligations of workers and employers in the mechanical engineering sector. The aforesaid CCNL is renewed on a regular basis through negotiations between workers' and employers' associations.
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	3.4
GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	6.1, 6.2
GRI 205: Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	During the reporting period, no corruption incidents occurred at HiRef.
GRI 206: Anti-competitive behaviour (2016)	206-1 Legal actions relating to anti-competitive behaviour, anti-trust and monopolistic practices	During the reporting period, no legal actions relating to anti-competitive behaviour, anti-trust and monopolistic practices occurred at HiRef
GRI 301: Materials (2016)	301-1 Materials used by weight or volume	4.2
GRI 302: Energy (2016)	302-1 Energy consumption within the organisation	4.1.1
	302-3 Energy intensity	4.1.1
	302-4 Reducing energy consumption	4.1.1 Description provided in terms of quantity only.
GRI 303: Water (2016)	303-3 Water withdrawal	4.2.2
	303-4 Water discharge	4.2.2
	303-5 Water consumption	4.2.2
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	4.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	4.1.2
	305-3 Indirect GHG emissions (Scope 3)	4.1.3
	305-4 GHG emission intensity	4.1.2
	305-5 Reduction of GHG emissions	4.1.2 Description provided in terms of quantity only.
GRI 306: Waste (2020)	306-3 Waste generated	4.2.3
	306-4 Waste diverted from disposal	4.2.3
	306-4 Waste directed to disposal	4.2.3

GRI STANDARDS	DISCLOSURE	CHAPTER / PARAGRAPH NOTES
GRI 308: Supplier environmental assessment (2016)	308-1 New suppliers that were screened using environmental criteria	6.1, 6.2, 6.3 HiRef is developing a system for selecting suppliers on the basis of ESG criteria.
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	5.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	HiRef does not differentiate between benefits provided to part-time and full-time employees.
GRI 403: Occupational health and safety (2018)	403-1 Occupational health and safety management system	5.5
	403-3 Occupational health services	5.3, 5.5
	403-5 Worker training on occupational health and safety	5.3, 5.5
	403-6 Promotion of worker health	5.3, 5.5
	403-8 Workers covered by a health and safety management system	Pursuant to current agreements and HiRef's internal policies, all employees are automatically enrolled for and receive the benefits extended by the Metasalute Fund (<i>Fondo Metasalute</i> , unless otherwise specified by the employees themselves). This subscription allows the employees to access to the services and health cover provided by the Fund, in accordance with the terms and conditions of the policy established by the Metasalute Fund itself. Cover is extended under current regulations and may be subject to periodic review based on changes in applicable laws or Fund policies.
	403-9 Work-related injuries	5.5
	403-10 Work-related ill health	5.5
GRI 404: Training and education (2016)	404-1 Average hours of training per year per employee	5.3
	404-2 Programmes for upgrading employee skills and transition assistance programmes	5.3
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	3.1, 3.2
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	During the reporting period, no discrimination incidents occurred at HiRef.
GRI 414: Supplier social assessment (2016)	414-1 New suppliers that were screened using social criteria	6.2, 6.3 HiRef is developing a system for selecting suppliers on the basis of ESG criteria.

GRI STANDARDS	DISCLOSURE	CHAPTER / PARAGRAPH NOTES
GRI 416: Clients' health and safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	1.5.1 Certificate of conformity - PED (2014/68/EU) We ensure compliance with the basic safety and design requirements for the assembly, testing and commissioning of refrigeration and air conditioning systems that operate with gas under pressure (PS> 0.5 bar).
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, no incidents of non-compliance relating to customer health and safety issues occurred at HiRef.
GRI 417: Marketing and labelling (2016)	417-2 Incidents of non-compliance concerning product and service information and labelling	During the period under review, no incidents of non-compliance relating to product and service information and labelling occurred at HiRef.
	417-3 Incidents of non-compliance concerning marketing communications	During the reporting period, no incidents of non-compliance relating to marketing communication issues occurred at HiRef.
GRI 418: Customer privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	During the reporting period, no complaints regarding breaches of customer privacy or loss of customer data occurred at HiRef.



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