



Sustainability
Report

2023



IMAGING THE FUTURE SINCE 1947



For the second year in a row, Gilardoni took part in the "Sustainability Award" and once again achieved recognition in the TOP 100 EXCELLENCE category for its accomplishments, as well as in the TOP 100 PERFORMANCES category for the significant enhancements made compared to the previous year.



Sustainability®
Award Top100

Promosso da:



Main Partner:



*"IMAGING A GREEN AND
SUSTAINABLE FUTURE"*





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COMMUNICATION TO THE STAKEHOLDERS

Dear Stakeholders, we are pleased to share our third Sustainability Report for the year 2023. This document highlights our accomplishments in the ESG (Environmental, Social, and Governance) domain and our ongoing efforts towards a green and sustainable future.

The war, the energy and raw materials crisis, and climate change are current and significant topics that should be considered and emphasized in company plans. Despite the challenges and uncertainties faced, Gilardoni has remained committed to addressing and respecting these issues since its inception. In 2021, the company formalized its dedication by aligning with ESG guidelines, creating a corporate framework to uphold and implement these principles in its strategic and production decisions. Recognizing that this commitment is not merely a cost, but a long-term benefit for both the community and the company.

Among the accomplishments in the environmental sector in 2023, the Relamping project stands out. It resulted in a nearly 60% reduction in energy consumption within the initial months of implementation, leading to a significant decrease in CO2 emissions and associated costs. Gilardoni is dedicated to enhancing carbon footprint evaluations. Starting in 2023, the company initiated a transition to a hybrid car fleet by leveraging Scope 1 emission calculations. Furthermore, it sustains efforts to minimize emissions (Scope 2) through electricity generation from the operational photovoltaic system since 2012.

Nevertheless, it is essential to emphasize that people are at the core of Gilardoni, playing a crucial role in the company's development and advancement. Therefore, our focus is on ongoing staff training across different domains (technical, health and safety, etc.), with the goal of training all our employees.

We are pleased to have continued implementing the agile working method (also known as smart working) for all employees whose roles are compatible with this approach. This ensures a balance between work and personal life, while promoting a work model centered on trust, autonomy, and individual responsibility.

The company welfare is wide and above the average of other companies, consisting of numerous benefits dedicated to all employees.

Regarding the economic realm, we recognize the significance of fostering a transparent and ongoing dialogue with stakeholders. Consequently, we have diligently strived to carry out our operations in the stakeholders' best interests, generating and disseminating value responsibly. Throughout 2023, a range of cultural and beneficial initiatives were executed, dedicating a significant number of hours to events targeting all communities. Gilardoni not only shared his expertise during conferences, meetings, and networking opportunities but also showed dedication to students, interns, thesis holders, and anyone interested in learning and pursuing the scientific journey established since 1947.

To reaffirm our ongoing dedication to sustainability and the incorporation of ESG considerations into our operations, Gilardoni participated in the "Sustainability Award Top 100" in 2023. The company ranked among the top performers in Italy with a turnover below 250 million euros, attaining the highest ESG ratings and securing the award for significant improvements made compared to the previous year.

We express our gratitude to all Gilardoni employees for their competence, sense of responsibility, dedication, and commitment in their daily work, enabling Gilardoni to reach ambitious objectives and strive for ongoing sustainable enhancement.

Marco Tacani
Gilardoni
Chief Executive Officer



METHODOLOGICAL NOTE

The Sustainability Report, voluntarily issued, signifies Gilardoni S.p.A. a Socio Unico's dedication to sharing its sustainability strategies annually and disclosing the initiatives and outcomes achieved during the 2023 calendar year (reporting period from 01/01/2023 to 31/12/2023).

The report was prepared following the Global Reporting Initiative (GRI updated to 2021) guidelines and it hasn't been undertaken to external assurance.

Gilardoni views its Sustainability Report as the primary tool for managing and reporting activities and results in the economic, environmental, and social domains, as well as a tool for information and dialogue with its stakeholders.

For this report, Gilardoni presents the findings arising from the "Materiality Analysis" process, conducted in accordance with the established internal procedure that engages stakeholders in identifying, defining, and assessing the actual and potential positive and negative impacts of the organization on the economy, environment, and people, including their human rights impacts.

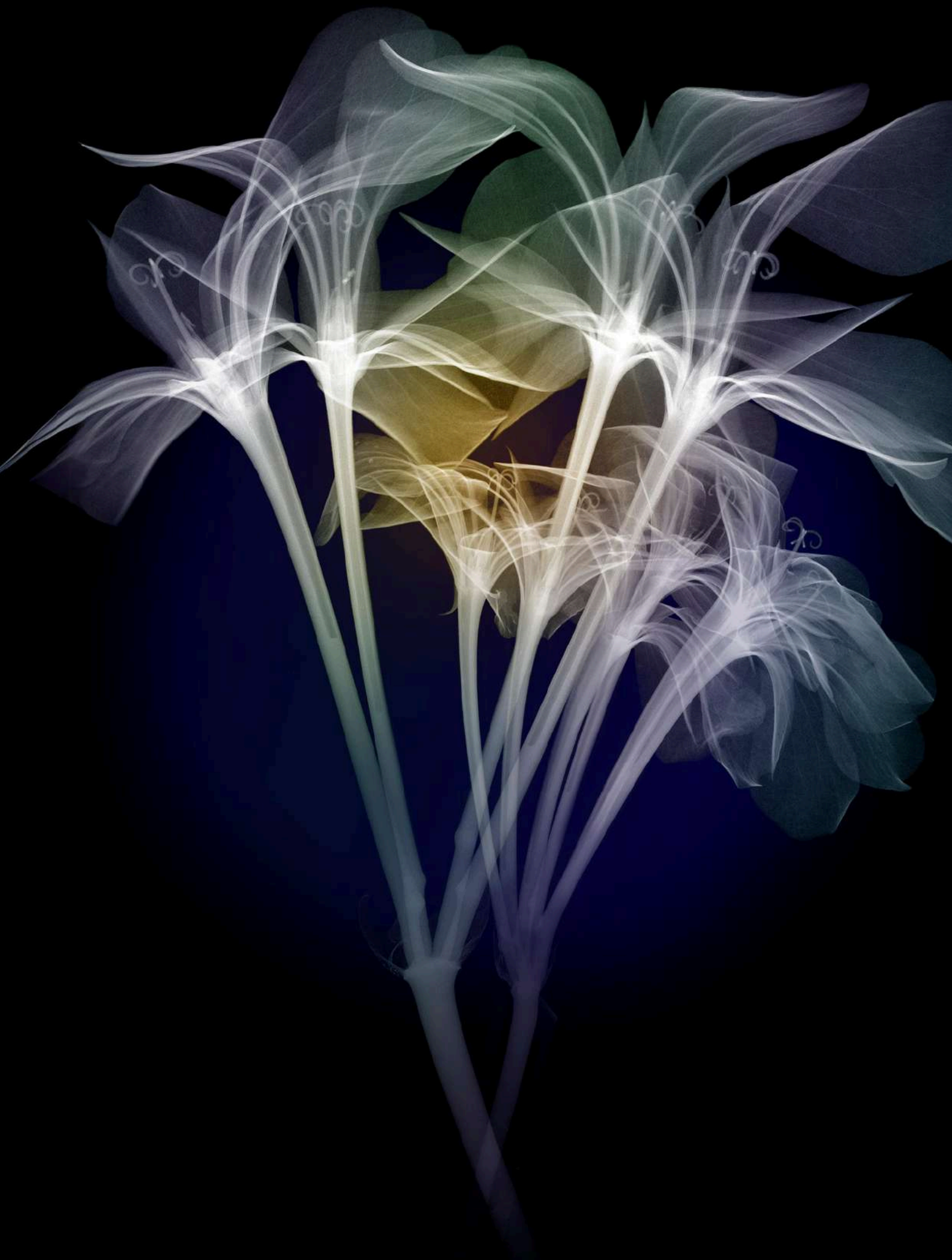
The outgoing subjects are presented based on the principles of accuracy, equilibrium, lucidity, comparability, comprehensiveness, timeliness, and verifiability. Additionally, when feasible, comparisons were drawn with prior years.

Any inconsistencies in the information pertaining to the year 2023 as presented in this document and the data disclosed in the preceding sustainability report stem from an ongoing enhancement of the reporting procedure and will be detailed for each category.

The reporting process considers monitoring Key Performance Indicators (KPIs) related to sustainability and, when feasible, establishes a connection with the Sustainable Development Goals (SDGs) of the 2030 Agenda.

The Sustainability Report was endorsed by the Gilardoni Board of Directors on 29th May 2024 and can be accessed on the Gilardoni institutional website at www.gilardoni.it.

For inquiries regarding sustainability matters, please use the following email address: sustainability@gilardoni.it.





HIGHLIGHTS

Environmental



Photovoltaic energy production
225 MWH



Avoided Scope 2 emissions due to photovoltaics
47,7 tonCO₂eq



Groundwater extraction
82%



Percentage of recycled waists
96%



Reported occupational diseases
0%



Skilled staff
100%



Staff within 5 kilometers from the office
35%



Employees' average age
45 years



Social

Governance



Total Sales
€43.3 Million



Italian suppliers
84%



Local suppliers within 100 kilometers of the headquarters.
66%



Whistleblower reports
0



CORPORATE PROFILE

Gilardoni S.p.A., a Socio Unico (hereinafter also referred to as “Gilardoni”), was established in 1947 through a bold endeavor by Dr. Eng. Arturo Gilardoni, who envisioned it to be rooted in research, built on quality, and committed to innovation.

Gilardoni operates in Italy with its factory in Mandello del Lario (LC), situated on the eastern shore of Lake Como with the stunning backdrop of the Grigna mountain.

Gilardoni is headquartered in Milan (MI) at Piazzale Luigi Cadorna 2 and has administrative/management/operational headquarters in Mandello del Lario (LC) at Via Arturo Gilardoni 1.

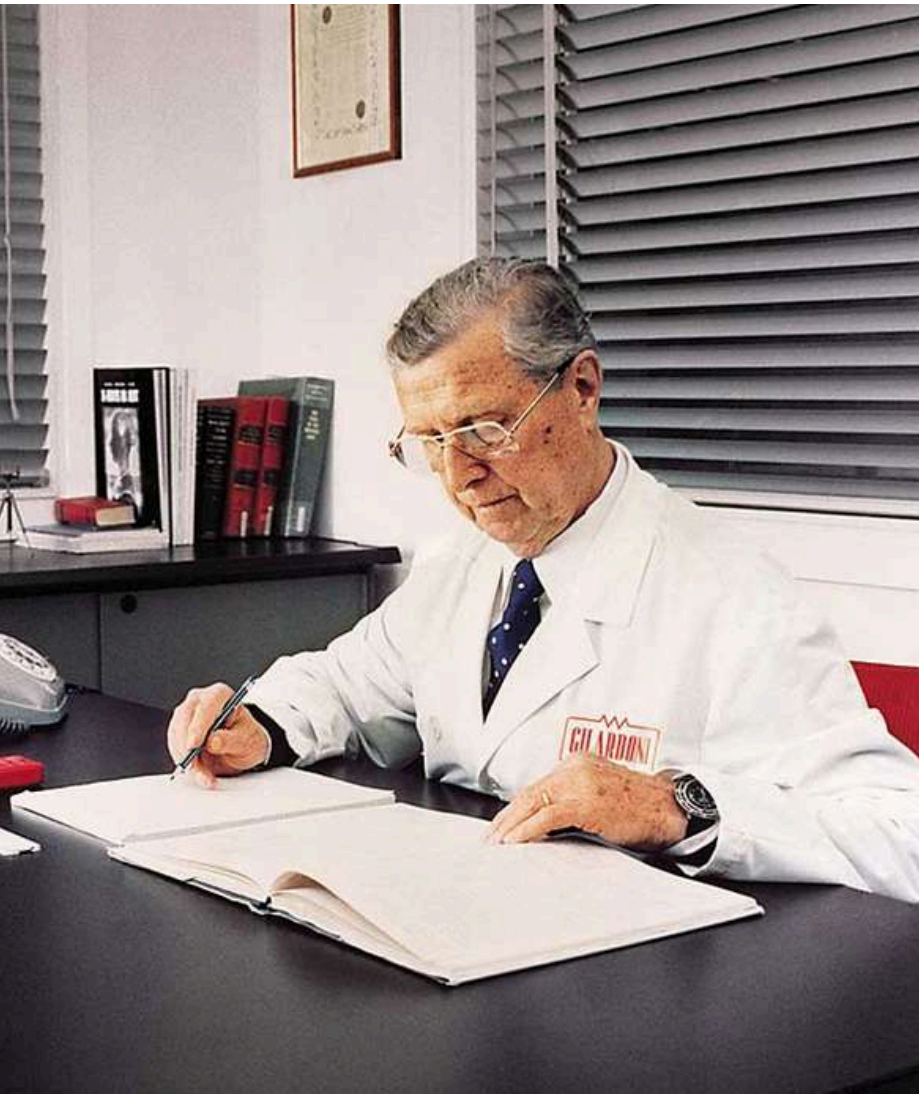
Additionally, Gilardoni possesses the following offices and warehouses:

Office located at Via Cornelia 498, Rome (RM).

Warehouse location: Bagheria (PA), Via Aristofane 28.

Warehouse location: Gravina di Catania (CT), Via Gramsci 152.

Gilardoni S.p.A presents the Financial Statements and the Sustainability Report for the corresponding entities.



*I am grateful to all
“my GIL-Men”
whom I mentored
with care, who have
effectively taken
over my role,
bringing me
immense fulfillment.*

Arturo Gilardoni.

GILARDONI ORIGINATED IN 1947 FROM
A BOLD ENDEAVOR LED BY DR. ENG. **1947**
ARTURO GILARDONI.



Pugno Vanoni Award

Gilardoni receives the Italian Electrotechnical Association award for the 1946-48 triennium for outstanding accomplishments in high voltages and radiology.



USEFUL

Italy's sole bimonthly publication for technical-scientific advancements covering radiology, radiation physics, electronics, nucleonics, and radiology construction methods.

INTERNATIONAL SCREENOGRAPHY AWARD

INDEPENDENT PRODUCTION OF RADIOLOGICAL SCREENS

APEL S.R.L. FOUNDS A FACILITY FOR MANUFACTURING X-RAY AND ELECTRONIC TUBES.

50'S

70'S

Ensuring optimal results of the x-ray image.

ADVANCEMENT OF GRIDS IN MEDICAL RADIOLOGY.

Developed and constructed a low-dose X-ray system for anti-terrorism screening.

SECURITY SECTOR DEVELOPMENT THE INAUGURAL "FLY EASY PROGRAM" (FEP) WAS ESTABLISHED.

Medical ultrasound system

"SONAGIL-B"



GIL-SUD: NEW FACTORY IN SICILY.

1972

Gilardoni expands its horizons and inaugurates a new factory in Motta S. Anastasia in 1972.

1948 INITIAL MONOBLOCK FOR THERAPY AND METALLOGRAPHY.

60'S

ULTRASOUND NON-DESTRUCTIVE TESTING (NDT) IS DEVELOPED ALONGSIDE COMPLEMENTARY X-RAY TECHNIQUES.

ROTARY ANODE TUBES Designed for sizable medical diagnostic equipment. An advanced technology for its era.

THE INAUGURAL REMOTE CONTROL X-RAY SYSTEMS WERE DEVELOPED.

NDT TECHNICAL EDUCATION PROGRAMS Regular bimonthly technical training sessions for X-ray and ultrasound operators in the industry are conducted in

MAMMOGIL Mandello. The inaugural mammogram devised

80'S

"RATOGIL AND CONTAGIL" Safeguarding Against Environmental Pollution

Utilization of pre-filtered rotating beams to acquire imaging data of anatomical regions with varying absorption levels.

GILARDONI TOTAL BODY RADIOGRAPHY (GTBR) METHOD

Gilardoni designs and produces NDT control systems for the industrial sector, pioneering the first CT.

SPECIAL EQUIPMENT FOR ARTISTIC RADIOLOGY KNOWN AS "ART-GIL."



"X-RAY ART"

An organic treatise on artistic radiology has been published, featuring a photo-radiographic atlas and associated interpretable radiogram findings.



SCHOLAGIL

School suitcase designed for teaching ionizing radiation physics and radiological techniques, featuring lightweight and compact design. It is specifically designed for professional schools, scientific high schools, and so on.



RECOGNIZED HIGHLY QUALIFIED
RESEARCH LABORATORIES (MINISTERIAL
DECREE 9-10-1985 – L. 46/82 ART.4)

1985

90'S

COLLABORATION WITH A PICKER FOR
CT, MRI, AND NUCLEAR MEDICINE.

GAMMA CAMERA

AMERICAN RAILWAY AXLE
REGULATION

The Borosonda (BAT) has
been developed as an
automated system for
monitoring hollow axles.

1995 INITIAL ISO 9001 CERTIFICATION.

IMQ certifies Gilardoni across all sectors of operation.

1998 INITIAL ISO 13485 MEDICAL
CERTIFICATION.

1st CE-certified device according to European
directives IMQ-067 /MDD.

Within the software for
baggage control systems
(FEP).

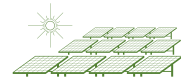
ARTIFICIAL INTELLIGENCE (AI) 2000

BRAZILIAN NDB VISION PARTNERSHIP 2002

THE SYNERGISTIC MERGER OF
EIDOSOLUTIONS (VA) OCCURRED. 2018

MODEL 231 FOR QUALITY.

2009 Solar Panel Installation



2020 SYNERGISTIC MERGER OF SEMAT (RM).

**PRODUCTS OF THE
FIVE BUSINESS
DIVISIONS**

- physician
- NDT
- Security
- X-ray Emitter
- Service

SAP CERTIFICATION



2021

2022 75TH ANNIVERSARY



MDR MEDICAL
CERTIFICATION



COLLABORATIONS WITH
PARTNERS
EIDOSOLUTIONS AND
GILAB SOLUTIONS BASED
IN CANADA.
GIL INSTITUTE

2023

EXAMINATION AND TRAINING
FACILITY
CORPORATE REBRANDING

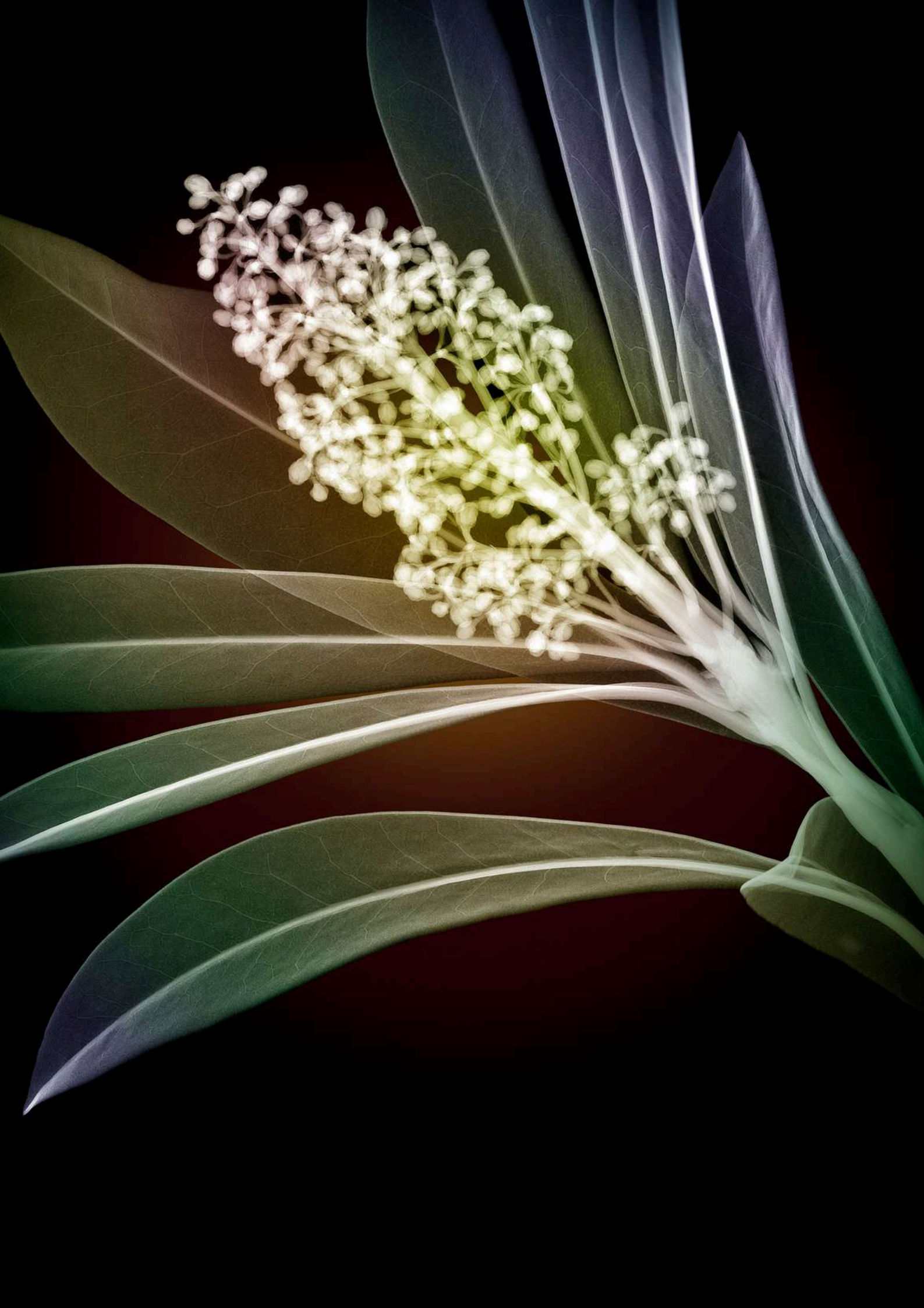


SUSTAINABILITY AWARD FOR THE
SECOND CONSECUTIVE YEAR

2024

UPCOMING







Our operations

Gilardoni is a prominent manufacturer of X-ray and ultrasound equipment, operating in three sectors: Medical, Security, and Non-Destructive Testing (NDT).

The innovative nature of the products makes Gilardoni inherently sustainable, enabling the use of X-rays and Ultrasounds to:

- Substitute radioactive materials (e.g. cesium in medical implants),
- To enhance individuals' security screenings (using baggage inspection systems).
- To conduct structural inspections using non-destructive testing.

Consequently, minimize production and material waste.

Therefore, we consider Sustainability to be the cornerstone of Gilardoni's primary operations.

The Gilardoni organization, besides encompassing all support areas (like HR, HSE, Quality, etc.), is divided into 4 Business Units, each with its own framework comprising design, production, sales, and a final BU dedicated to after-sales support.



Security Business Unit

Gilardoni provides a comprehensive range of solutions to ensure safety in diverse locations of significance, including airports, ports, courts, prisons, museums, and large events in Italy and internationally. The product range adheres to the latest and most rigorous European and American regulations.



Medical Business Unit

Gilardoni is a global leader in producing X-ray irradiators to prevent TA-GvHD, a rare yet potentially deadly disease linked to blood transfusions. Leveraging its extensive background in radiology, the company offers a broad array of components and accessories for X-ray imaging.



Industrial Business Unit (NDT)

The CND division at Gilardoni specializes in designing and manufacturing X-ray and ultrasound products, including large cabins and portable devices. It serves various industries such as foundries, automotive, aerospace, railways, oil & gas, food, and art, providing non-destructive testing solutions.



X-Ray Source Business Unit

In addition to the three primary sectors of activity, there is the X-RAY SOURCES division (defined as OEM, Original Equipment Manufacturer), focused on manufacturing components for multinational third-party companies' systems in the industrial and medical sectors.

Moreover, this division designs and manufactures all primary components for the systems of the remaining Business Units.



Assistance Business Unit

The Business Unit is accountable for offering support and upkeep for our systems to clients, ensuring prompt on-site and remote interventions through service agreements and contracts. It comprises a team of around 35 employees spread across the country. Assistance overseas is also provided through distributors.

Gilardoni also leverages collaboration with partners and suppliers with whom it has cultivated a bond of trust and reciprocal exchange of expertise, such as Eidosolutions in Varese and GiLabSolutions in Canada.



International Market

Gilardoni has attained a leading position due to its identity as a scientific industry, rooted in the R&D department. With skilled engineers, physicists, and chemists, Gilardoni spans the full range of research, from fundamental development to intricate system integration.

Strong partnerships with prominent universities, both domestic and international, and involvement in global industry conferences ensure our technicians have access to cutting-edge technologies.

Gilardoni views itself as an industry with significant potential, focused on both national and international markets, able to provide top-quality products, and offering precise customer assistance.

The primary customer demographics served are:

- Companies in the security sector, including national and international airport authorities, port and railway authorities, and sites of public and cultural significance;
- Companies and Small and Medium Enterprises (SMEs) in the industrial sector requiring non-destructive testing to ensure product quality and efficiency;
- Public healthcare entities in Italy encompass hospitals, local healthcare establishments, medical centers, transfusion centers, and laboratories.

 Medical

 Industrial

 Security

 OEM





Our Certifications and Awards

Gilardoni is a company with numerous certifications and recognitions that enable it to operate in diverse fields, such as Environment, Health, and Safety, in accordance with clearly defined policies.

The enforcement of these policies is executed via management systems, some of which are certified, in accordance with the primary voluntary standards acknowledged globally.

Certifications



ISO 9001:2015

Quality Management System



ISO 13485:2016

Quality Management Systems tailored for medical systems.



MDSAP - Medical Device Single Audit Program

Quality Management Systems tailored for medical devices with additional American and Canadian specifications.



CICPND stands for Italian Center for Coordination of Non-Destructive Testing.

Training and examinations for certifying personnel assigned to 1st and 2nd level non-destructive testing in ultrasound, liquid penetrant, and magnetic particle methods.

Acknowledgments



MISE – registry of historic brands of national significance

Belonging to the history and excellence of national entrepreneurship linked to Made in Italy.



Confindustria

Quality Alternation Label is a recognition awarded to companies providing high-quality school-work alternation programs.



2023 Premio Sustainability Award

Recognized as a TOP 100 EXCELLENCE company for the achieved results and in the TOP 100 PERFORMANCES for the significant improvements made compared to the previous year.



Legality Assessment

Authority for Competition and Market Regulation

Gilardoni has attained high professional and qualitative standards, leading to the recognition of its research laboratories as "highly qualified" by a specific Ministerial Decree (Ministerial Decree 9-10-1985 - L. 46/82 art.4).

For the products of the X-ray sector for safety, Gilardoni has the total compliance with current regulations, national and international, relating to the factors of exposure dose to luggage and escape dose.



Gilardoni also willingly engaged in the development of ESG-related surveys, yielding outstanding outcomes.

Award for Sustainability

As previously stated, Gilardoni received the 2023 Sustainability Award, positioning itself in the TOP 100 EXCELLENCE for its achieved results and in the TOP 100 PERFORMANCES for the significant enhancements made compared to the previous year.

With a company average of 491.1 points out of a maximum of 1000, Gilardoni achieved a high score of 693.9, divided:

- Environmental: max 350 - media 167.3 - > score **272.6**
- Social: max 350 - media 169.8 -> score **239.5**
- Governance: max 300 - media 154 -> score **181.8**



Open-es

Open-es is a platform that unites the industrial, financial, and institutional sectors to engage and assist participating companies in enhancing and expanding their sustainability dimensions.

Upon initial registration, Gilardoni achieved a sustainability score of 84/100 and a level of 9/12 due to a score of:

- Person: 90/100
- Planet: 77/100
- Prosperity: 73/100
- Principles: 91/100



Synesgy

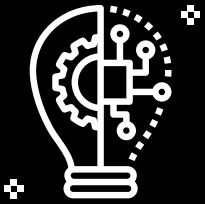
Synesgy is the worldwide digital platform for evaluating ESG sustainability in the supply chain, which some of our clients have invited us to join. Born from the collaboration of CRIF, CRIBIS, and a global network of strategic partners, it gathers and oversees data on companies' sustainability. Thanks to their survey, Gilardoni achieves a B score, indicating a high level of sustainability. The scores indicate excellence in Business matters, good levels in Environment, Social, and Governance, positioning us within our industry at a satisfactory sustainability level.



Strengths



PEOPLE



INNOVATION AND
TECHNOLOGY



INFRASTRUCTURE AND
PROPRIETARY PRODUCTION
TECHNOLOGIES.



UNIVERSITY RELATIONSHIPS



HISTORY AND
EXPERTISE



CUSTOMER FEEDBACK



TECHNICAL SUPPORT





GOVERNANCE, STRATEGIES, AND POLICIES

2-9
2-10
2-11

Gilardoni's governance, following the conventional organizational model, encompasses the subsequent corporate entities:

- The Board of Directors (BoD) plays a pivotal role in overseeing Gilardoni's commitment to sustainable development and governance. It is also vested with extensive powers for the regular and extraordinary administration of Gilardoni.
- The Audit Board, comprising five members, including two substitutes, oversees adherence to the law and the principles of proper company management.
- The Supervisory Body (SB) is responsible for ensuring the proper functioning of the Organizational and Management Model and overseeing compliance with the rules outlined in the Code of Ethics, suggesting any necessary updates. Comprising three members, including one internal (in charge of the company's Human Resources) and two external professionals in the field.

Board of Directors



Taccani Silvia



Taccani Gilardoni Marco,
Colombo Angelo Carlo,
Di Sabato Claudio

As a family-owned company, shareholders are directly involved. The diversity of the Board of Directors' members, encompassing gender, experience, vision, attention, and competence, ensures independence, competence, and experience in economic, environmental, and social matters.

Marco Taccani Gilardoni, the CEO and President of the Board of Directors, plays a pivotal role in supervising the Company's dedication to sustainable development and in the Governance system, encompassing the position of the **supreme governance entity** for ESG matters.

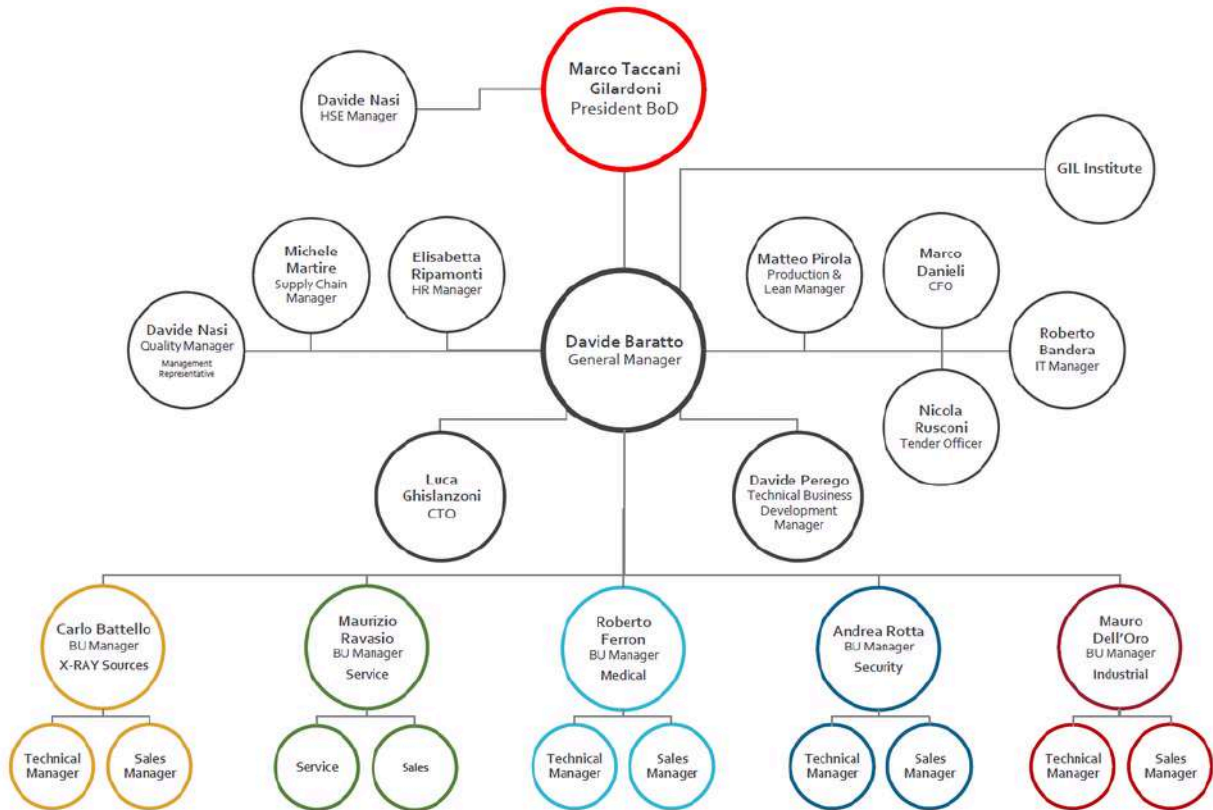
The General Manager of Gilardoni will be appointed in 2023 in accordance with Article 43 of the Statute, with the specification of powers formalized through a specific notarial power of attorney.



2-9
2-10
2-11

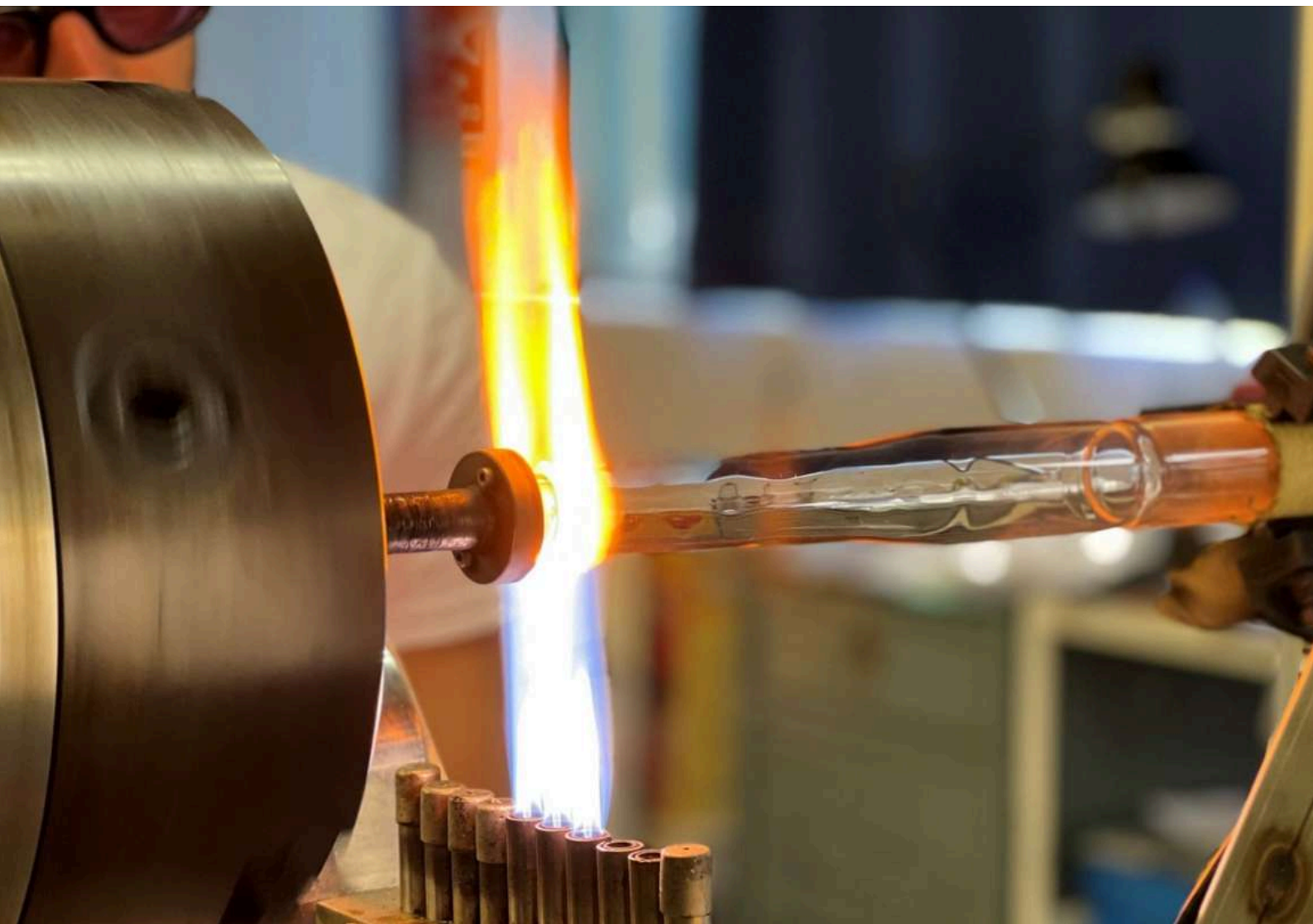
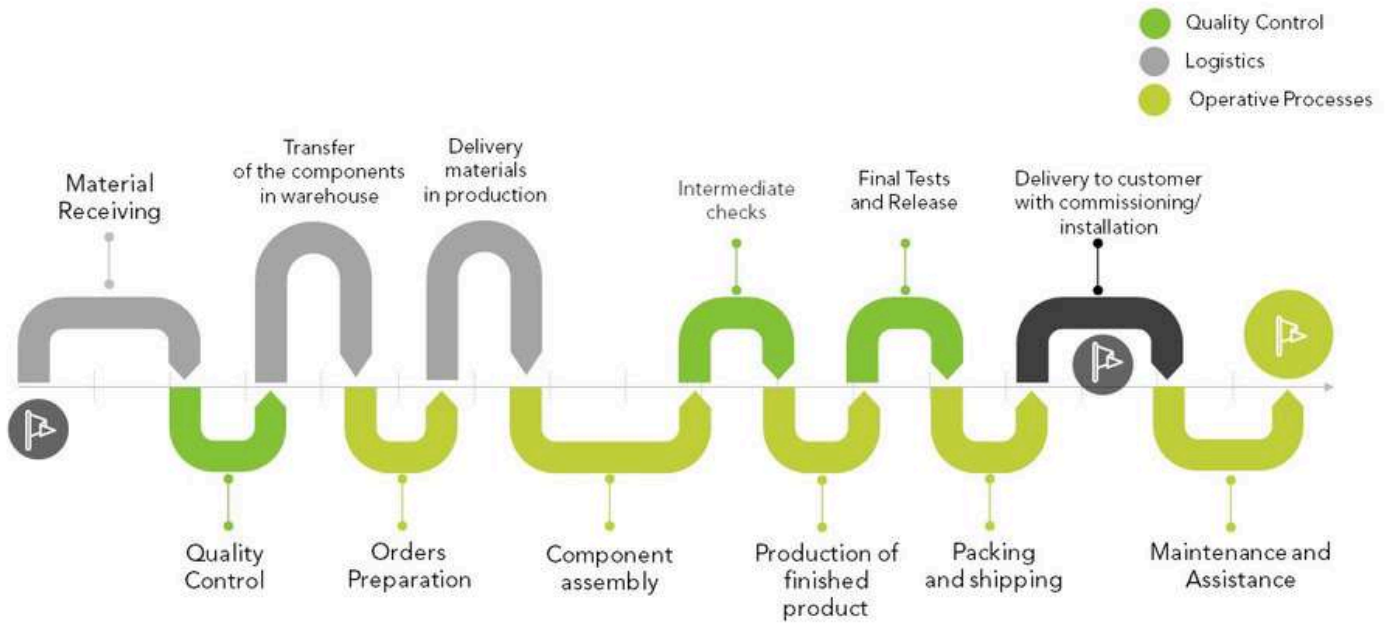
Structure of our organization

Here is the updated functional organizational chart of the organization as of December 31, 2023.





Production Plan





2-12
2-13
2-14
2-17
2-18

Contribution of the Supreme Governance Entity for Sustainable Development

The supreme governing body directly oversees ESG matters, playing a crucial role in the strategic oversight of the company, also focusing on sustainable development.

The top governing body, in collaboration with senior management, has arranged multiple meetings to assess the effects of ESG issues.

- Monthly management meetings are conducted with process owners to monitor the performance of company processes, encompassing economic, strategic, performance, and ESG aspects.
- A biannual meeting is conducted with all staff members to assess progress, establish the company's goals and strategies, and provide updates on the sustainable initiatives implemented within the company.
- The annual Management Review involves all process owners to discuss the year's results and establish any necessary corrections and new objectives.
The role of management is to verify, approve, or indicate new objectives.
- The outcomes of the ESG matters are ultimately assessed during the compilation of this Sustainability Report.

As part of the path taken for integrating ESG issues, the highest governing body utilizes the Sustainability Representative to fulfill a specific role in verifying issues for financial statement preparation and promoting sustainability within the company.

The Contact person engages directly with the highest governance body to oversee and assess the company's ESG performance trends in relation to goals, objectives, and specific initiatives. Additionally, they work closely with process owners to identify new initiatives and validate annual objectives.

The highest governance body is responsible for reviewing and approving the information and material topics presented in the Sustainability Report. They ensure that these activities align with the internal procedure's provisions, following the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI).

Subsequently, the Sustainability Report is presented to the Board of Directors during the financial statements' approval phase for annual approval.

The supreme governing body is directly overseen by the Sustainability Representative, who engages in conferences and monitors official channels to enhance understanding, expertise, and enrich experience in sustainable development.

The contact person oversees the performance of the KPIs and informs the highest governing body about the pertinent results.

Additionally, consultations and promotional initiatives regarding ESG matters are communicated to the top governing body prior to execution.

The highest governance body's performance evaluation is evident in the assessment of both financial statement and sustainability results, annually approved by the Board of Directors.



2-15
2-16

Conflict of Interest Management and critical issues communication and management

The risk of conflict of interest is overseen through corporate governance systems and procedures, including the Management, Organization, and Control Model, Code of Ethics, and Independent directors. Additionally, all key personnel sign non-competition agreements at a contractual level.

In accordance with Model 231 provisions, the Company has designated and empowered the SB with autonomous initiative and control powers. The SB's activities and outcomes (as per Legislative Decree no. 231/01) are communicated to the Board of Directors to oversee the Company's liability risk.

Regarding the whistleblowing management process, the company has a communication channel for critical issues within the organization that is shared with all employees.

In 2023, there were no communications concerning critical matters or instances of whistleblowing.

The procedures, forms, and Code of Ethics are accessible on both the company intranet (for employees) and the Gilardoni website (for external parties).

All stakeholders can contact the supervisory body at any time, either in writing or verbally, to request clarifications or information, such as regarding:

- The interpretation of the Code of Ethics and/or other protocols associated with the Model;
- To the legitimacy of a particular concrete behavior or conduct, as well as their appropriateness or conformity with the Model or the Code of Ethics, and to report detailed events of illicit conduct to the Supervisory Body at any time, as required by Legislative Decree 231/01 and the applicable mandatory regulations.

2-19
2-20
2-21
2-30

The Remuneration System

Gilardoni implements National Collective Labor Agreements (CCNL "metalworking sector") for all employees to ensure the enforcement of contractual wages and related provisions.

The Board of Directors receives a fixed compensation determined by the shareholders' meeting and the president, who also receives a variable amount in addition to this fixed sum.

The compensation policy for employees is consistently determined by performance evaluation and acquired skills, while also considering the compensation positioning of the holders of the assessed positions.

Regarding the compensation process, Top Managers are provided with a set remuneration, supplemented by a variable component dependent on performance and the fulfillment of personal and organizational goals. Employee compensation is determined by Human Resources (HR) and requires final approval from the President. HR oversees this process to ensure internal equity, leveraging its comprehensive understanding of salary structures across different departments and offices.



While upholding Gilardoni's commitment to Gender Equity, remuneration policies should also consider the necessity for cost savings and efficient resource budget management.

Regarding the total annual remuneration ratios and increases (reported in chapter 9), it is important to note that Gilardoni granted voluntary increases throughout the year, aligning with the minimum wage hikes outlined by the CCNL in 2023. Gilardoni chose not to absorb these increases but instead distributed them to the employees, resulting in increased salary obligations.

In 2023, the annual salary ratio between the highest and median salaries of all employees is 6.08, marking a decrease of -0.26 points from 2022. The total salary ratio change, calculated based on the increase in the highest salary compared to the median increase of all employees, remains at 0 due to the highest salary remaining unchanged from the previous year.

2-25
2-26
2-27

Negative impacts, clarification procedures, non-compliance

To mitigate risks and their potential impacts, Gilardoni has implemented appropriate procedures and tools.

- System policies, processes, and procedures;
- Training programs;
- Communication strategies;
- Tools for monitoring and reporting periodically.

In addition to potential communications to the Supervisory Body, Gilardoni has established a dedicated email address for ESG matters, sustainability@gilardoni.it, which all Stakeholders can use to make inquiries.

- Clarifications regarding Gilardoni's policies and practices implemented to uphold responsible conduct.
- Raise any significant concerns or lodge complaints.

This address is accessible and visible on the "Sustainability" page of the company's website.

Throughout 2023, no instances of non-compliance with laws or regulations were identified, and no inquiries were made for uncertainties, clarifications, or raising concerns.

2-28

Association Memberships

Gilardoni is affiliated with Assolombarda.



Governance tools

Respect for human rights is the guiding principle that informs Gilardoni and is fully incorporated into the company's policies and values.

The Company possesses the following policy instruments:

- Ethics Code - ratified by the Board of Directors
- Board-approved Organization and Management Model 231.
- Approved by the President, the Code of Conduct is in effect.
- Board-approved anti-corruption policy.
- The American regulation known as the "Dodd-Frank Wall Street Reform and Consumer Protection Act Conflict Free" was approved by the President.

01

Code of Ethics



Gilardoni has embraced the corporate "Code of Ethics," a document outlining fundamental ethical principles, behavioral rules, and responsibilities acknowledged, respected, and upheld as values by all stakeholders (administrators, auditors, top management, employees, collaborators, appointed professionals, and suppliers).

The Code of Ethics emphasizes commitment to the Company and stakeholders, asserting that competitiveness and profit-seeking should align with ethical considerations, social engagement, and environmental respect.

This Code embodies Gilardoni's dedication to:

- Maintaining focus on the methods of managing areas at ethical risk.
- Providing guidelines for the whole staff to identify and address ethical concerns.
- Contributing to uphold a culture of integrity, honesty, and responsibility within the company.

Recipients are required to uphold conduct grounded in reverence for essential principles such as honesty, moral integrity, propriety, transparency, objectivity, and regard for individual personality, both in the pursuit of organizational goals and in all interactions with individuals and entities.

In December 2023, the Code of Ethics was revised with the approval of the Board of Directors to align it with the principles of sustainability and the goals of the SDGs of the 2030 Agenda.

02

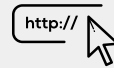
Ethical Guidelines

In addition to regulating internal conduct criteria, the Code also governs conduct criteria in dealings with suppliers and third parties, customers, the market, and the Public Administration.



03

Organizational and managerial framework



Gilardoni has implemented an organizational and managerial framework in accordance with its governance system and ethical standards, adhering to Legislative Decree 231/01 to efficiently handle business risks.

The Model comprises a coherent set of principles, rules, procedures, internal provisions, circulars, and organizational schemes pertaining to the governance and oversight of social and instrumental activities.

This Model applies to all Board of Directors members, Auditors Board members, Auditing Firm members, and all individuals connected through employment relationships with Gilardoni.

In accordance with the regulations of Model 231, a Supervisory Body (SB) has been designated with the responsibility of overseeing:

- On the effectiveness and adequacy of the model concerning the company structure and its actual ability to prevent the commission of crimes;
- Compliance with the Model's provisions by corporate bodies, employees, and other recipients, including through the relevant company functions
- Seizing the opportunity to revise the Model itself, where adjustments are necessary to align it with evolving company and/or regulatory conditions.

The Supervisory Body members are appointed by the Board of Directors, and their term of office is determined upon appointment.

04

Dodd-Frank Wall Street Reform and Consumer Protection Act Conflict-Free

Gilardoni complies with the "Dodd-Frank Wall Street Reform And Consumer Protection Act - Conflict Free" regulation, which entails verifying the absence of metals from mines in regions plagued by armed conflict and human rights abuses, notably in the eastern provinces of the Democratic Republic of Congo (DRC), involving the Congolese National Army and diverse armed rebel factions.

All employees must adhere to the governance systems established by Gilardoni as outlined in the company's Code of Conduct.

Suppliers and customers must adhere to the Code of Ethics and other policies related to environmental and human rights by signing the corresponding General Conditions of purchase/sale.

All materials are accessible to employees through the intranet, and stakeholders can access them via the website www.gilardoni.it.





STAKEHOLDERS AND MATERIALITY ANALYSIS

Stakeholders encompass all individuals who can be impacted, either directly or indirectly, by the organization's actions.

Gilardoni recognizes the significance of maintaining an ongoing dialogue with its stakeholders and is dedicated to fostering relationships built on trust through a direct, inclusive, and transparent approach.

Gilardoni categorizes Stakeholders into three main groups: public-social, operational, and corporate.

To kickstart the enhancement of this Report, Gilardoni actively engaged Stakeholders in the Materiality Analysis by distributing a questionnaire to them. This initiative aimed to incorporate their input into the initial stages of the Analysis process.

Our Stakeholder



In addition to involving stakeholders in the initial preparation of this report, Gilardoni ensures ongoing engagement with its stakeholders to provide them with ample opportunities for listening and dialogue on ESG matters through:

- Training and information on topics concerning sustainability and the ESG domain.
- Sharing the Ethical Code;
- The company's process for sustainability suggestions.



Materiality Analysis

Gilardoni's materiality analysis is a crucial process used to pinpoint the adverse and beneficial effects that the organization currently has or may potentially have on economic, environmental, and social aspects (including human rights) due to its operations or business connections. These effects are central to sustainability reporting and hold significant value for sustainable development and stakeholders.

The impact assessment process is divided into three main phases, enabling the organization to identify the material topics for analysis in this Sustainability Report.



PHASE 1 - IDENTIFICATION

The identification phase of the Material Topics to be reported is divided into two steps.

1. During the initial analysis phase based on the principle of applicability, all themes are examined in relation to Gilardoni's context, nature, business operations, activities, and industry sectors. Themes deemed irrelevant are pinpointed and will consequently be excluded from stakeholder evaluation and subsequent impact assessments.
2. Stakeholder involvement in the Materiality Analysis questionnaire enabled the identification of topics deemed "relevant" for the second phase, following the process outlined in company procedure PR030.



PHASE 2 - SIGNIFICANCE ASSESSMENT

During the second phase, a risk assessment was conducted to identify all positive and negative impacts directly or indirectly associated with the organization's operations. The organization analyzed and considered the actual and potential negative impacts it can cause or contribute through its activities, products, and services for risk analysis. The Company's positive impacts and contributions to sustainable development were evaluated in the process of identifying opportunities. To streamline this process, the impacts were categorized into macro-categories.



PHASE 3 - PRIORITIZATION

To prioritize the themes, we utilized a 4x4 matrix evaluation (with a maximum value of 16) for the identified aspects. The importance of each impact was evaluated through quantitative and qualitative analyses.

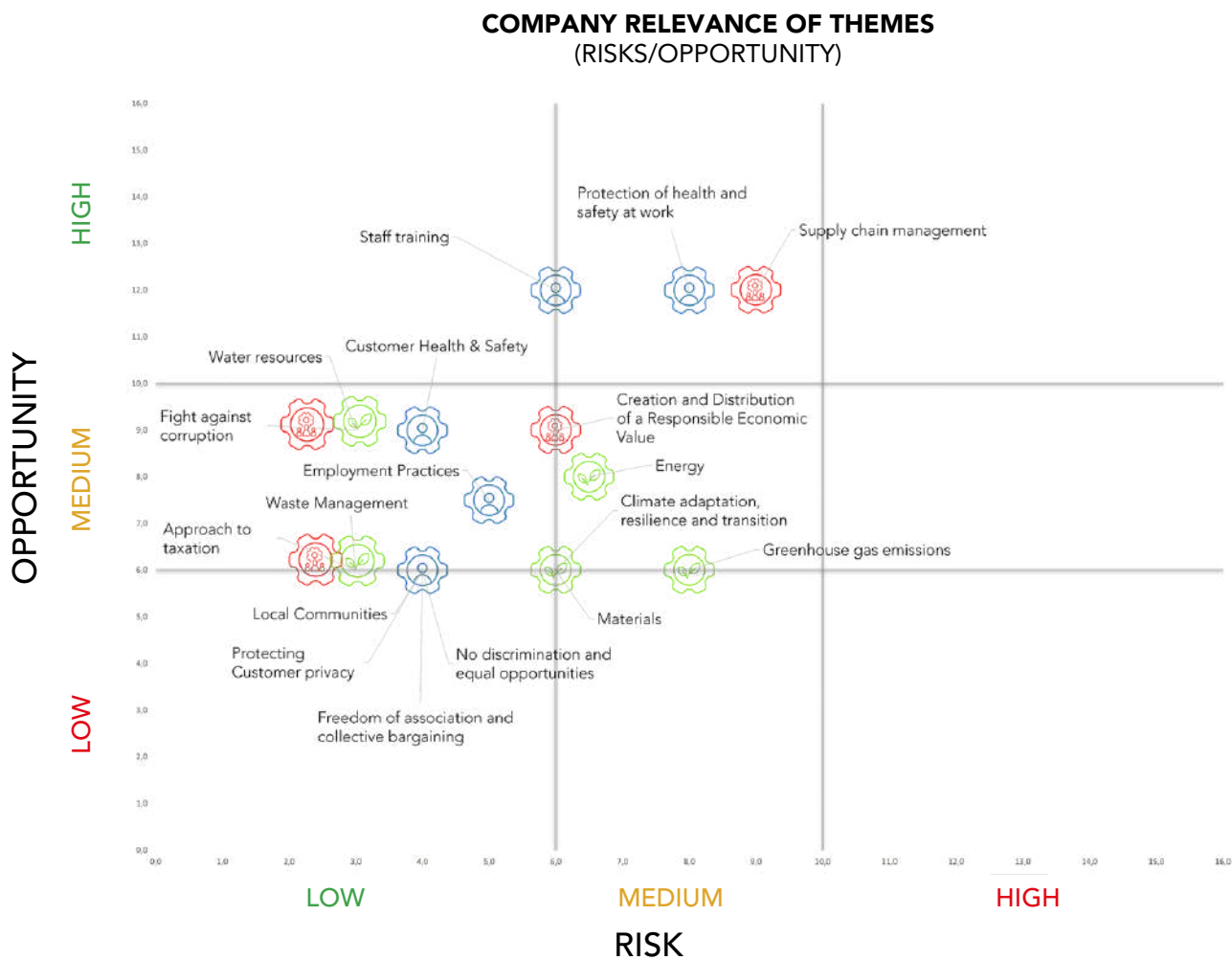
The materiality threshold, applicable to risks and opportunities alike, is set at 6, enabling the prioritization of topics. Themes surpassing the threshold are recognized as material themes.

Below is the matrix displaying the pertinent themes along with their respective risk and opportunity positions.



The analysis reveals 18 material themes (some consolidated under a single "hat"), categorized into the 3 ESG macro-categories of reference, where the negative and/or positive impacts exceeded the set threshold.

A significant highlight is the evidence that NO topic was found to be either at a HIGH LEVEL of RISKS or at a LOW LEVEL of OPPORTUNITY.
























Moreover, specific key performance indicators (KPIs) have been established for each Material Topic to effectively monitor and assess the organization's sustainability performance across time.

Some of these key performance indicators are monitored monthly during management meetings where company performance is analyzed.

Gilardoni chooses to report certain topics not covered in the Material Topics, deeming them irrelevant or impactful. This decision is made to ensure comprehensive, transparent, and consistent reporting.



MACRO CATEGORY	SUBJECT MATTER	DESCRIPTION	KPI	RIF. §
 GOVERNANCE (including economic facets)	 Creation and Distribution of Responsible Value	The Company actively promotes the generation of shared value for all its internal and external stakeholders.	Total Sales	7.1
	 Climate Adaptation, Resilience, and Transition	Gilardoni is dedicated to implementing precise actions to tackle the risks and opportunities arising from climate change by investing financial resources in both the short and long term.	Investments	7.2
	 Supply Chain Management	The Company is dedicated to effectively managing its supply chain, with a preference for local suppliers.	Local Suppliers Expenditure Ratio	7.3
	 Combatting Corruption	Gilardoni, in the course of conducting its operations, remains dedicated to combating all types of corruption.	Mechanisms to combat corruption	7.4
	 Taxation Approach	Gilardoni considers adherence to tax laws and accountability to stakeholders in fulfilling the standards of sound tax practices as crucial.	Tax payments	7.1
 ENVIRONMENTAL	 Materials	The Company conducts ongoing monitoring of the quantities of materials utilized in its production process.	Material consumption	8.1
	 Energy	Energy efficiency is a significant objective for Gilardoni, particularly within the global context of transitioning towards a low-carbon economy.	Energy consumption within the organization	8.2
	 Water Supply	Gilardoni recognizes the significance of responsibly utilizing water resources and prioritizes utilizing aquifer water over potable water.	Water extraction	8.3
	 Emission of Greenhouse Gasses	Gilardoni is dedicated to combating climate change in its sustainable development policy by striving to decrease both direct and indirect greenhouse gas emissions.	Emissions of greenhouse gases	8.5
	 Waste Management	Gilardoni recognizes the significance of proper waste management and is dedicated to promoting its recovery within a circular economy framework.	Waste designated for recovery	8.6
 SOCIAL	 Employment Practices	Gilardoni prioritizes human resources as pivotal within the organization. The company's policy revolves around fostering employee development and motivation.	Number of new recruits	9.1 9.2
	 Workplace health and Safety Protection	The Company prioritizes the safeguarding of its employees' health. One of its key objectives is providing training in Health and Safety.	Health surveillance accident index	9.3
	 Employee Training	Developing internal skills to enhance human resources is a key element for Gilardoni. Accordingly, Gilardoni prioritizes investments in training and development programs.	Provided training hours	9.4
	 Equal Opportunities and Non-Discrimination	Diversity and inclusion are key objectives of the Company's policy, viewed as contributors to corporate wealth.	Gender pay gap	9.5 9.6
	 Association Freedom	A fundamental principle is the complete freedom of association for both Gilardoni itself and its employees to establish their own organizations and participate in them or oversee them autonomously.	Report monitoring	9.7
	 Community Relationships	Gilardoni's operations and facilities have substantial economic, social, and cultural effects on nearby communities.	Community service total hours	9.8
	 Customer Health and Safety	Gilardoni prioritizes ensuring the health and safety of its customers when using its products, given that sustainability is inherent to its nature.	Number of injured people	9.9
	 Customer Privacy Protection	Gilardoni's implementation of a management system ensuring privacy and controlled processing of customer data is essential.	Number of recorded privacy violations	9.10



Our contribution to sustainable development



Gilardoni aligns its strategic decisions with the pursuit of the Sustainable Development Goals (SDGs) outlined by the United Nations in the 2030 Agenda on its sustainable development journey.

Following the materiality analysis, the correspondence between the identified Material Topics and the 17 SDGs, fully covered, priority to implement a Strategic Plan for sustainable development was carried out.

The table presented here was created with reference to the GRI guidelines outlined in the document "Linking the SDGs and the GRI Standards".

	1 No poverty	2 Zero hunger	3 Good health and well-being	4 Quality education	5 Gender equality	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	10 Reduced inequalities	11 Sustainable cities and communities	12 Responsible consumption and production	13 Climate action	14 Life below water	15 Life on land	16 Peace, justice and strong institutions	17 Partnerships for the goals
CREATION AND DISTRIBUTION OF RESPONSIBLE VALUE							✓	✓					✓				
CLIMATE ADAPTATION, RESILIENCE, AND TRANSITION													✓	✓	✓		
SUPPLY CHAIN MANAGEMENT					✓			✓									✓
FIGHT AGAINST CORRUPTION																	✓
APPROACH TO TAXATION	✓									✓							✓
MATERIALS								✓				✓					
ENERGY							✓	✓				✓	✓				
WATER RESOURCES						✓						✓					
GREENHOUSE GAS EMISSIONS			✓									✓	✓	✓	✓		
WASTE MANAGEMENT			✓			✓		✓			✓	✓			✓		
EMPLOYMENT PRACTICES			✓		✓			✓		✓							✓
WORKPLACE HEALTH AND SAFETY PROTECTION			✓		✓			✓									✓
STAFF TRAINING				✓	✓			✓					✓				
NON-DISCRIMINATION AND EQUAL OPPORTUNITIES				✓	✓			✓					✓				
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING								✓									
LOCAL COMMUNITIES	✓																
CUSTOMER HEALTH & SAFETY																	✓
PROTECTING CUSTOMER PRIVACY																	✓

7. ECONOMIC PERFORMANCE



CREATION AND
DISTRIBUTION
OF
RESPONSIBLE
VALUE



CLIMATE
ADAPTATION,
RESILIENCE, AND
TRANSITION



INDIRECT
ECONOMIC
OUTCOMES



FIGHT
AGAINST
CORRUPTION

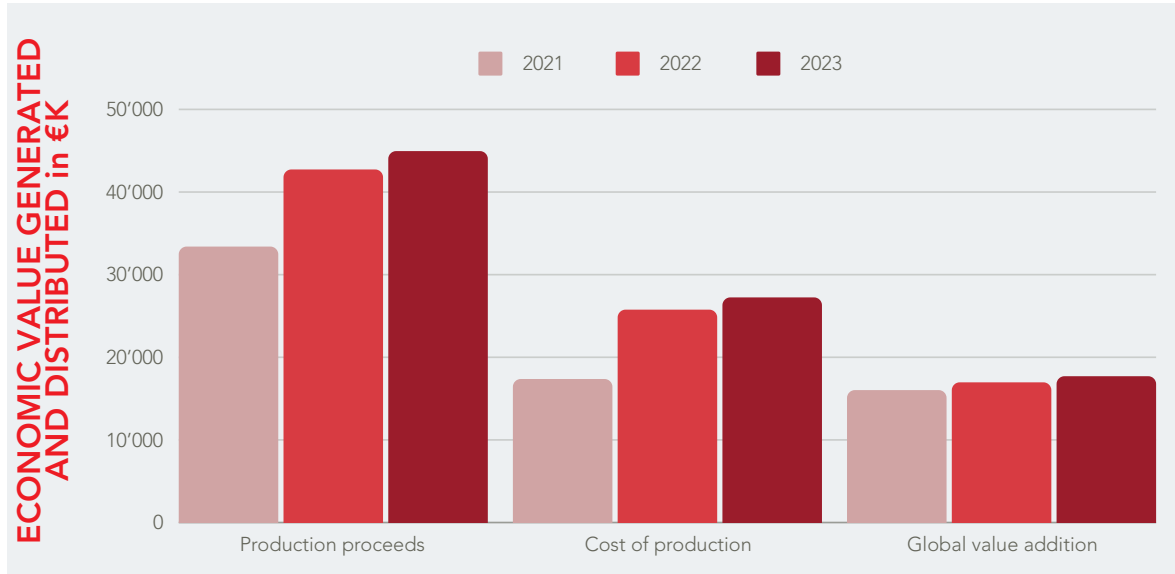


SUPPLY CHAIN
MANAGEMENT



APPROACH
TO
TAXATION

201-1
201-4





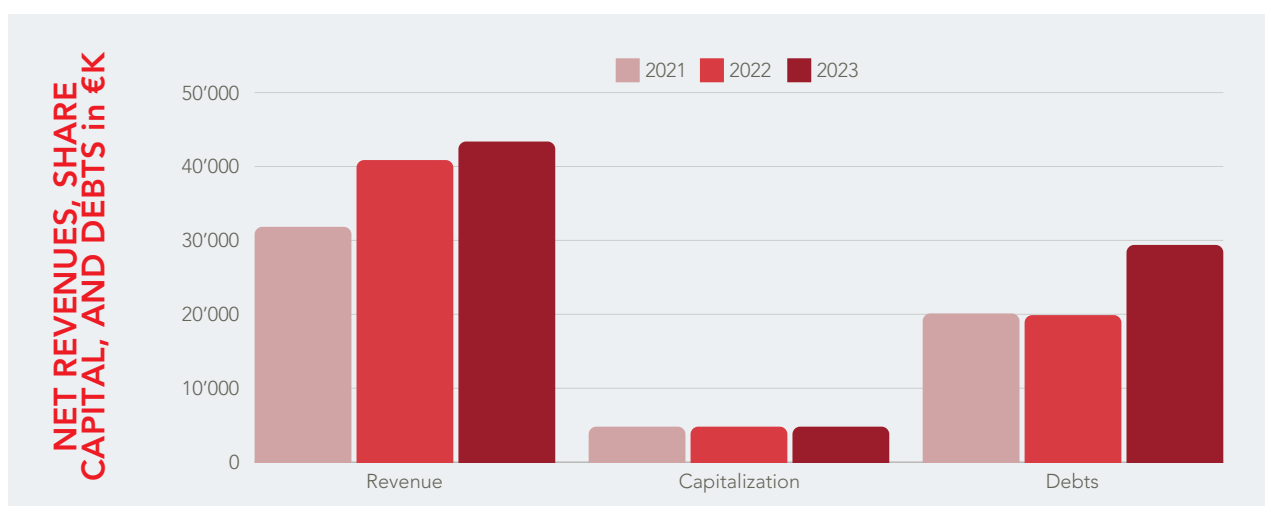
207-1
207-2
207-3
207-4

GLOBAL AND GROSS VALUE ADDED BREAKDOWN

	2021	2022	2023
IN THE WORKPLACE			
Wages and Benefits, TFR	12.897.817 €	13.276.761 €	14.553.879 €
Training investments	7.436 €	22.801 €	29.700 €
Compensation for agents and collaborators	824.120 €	1.128.621 €	1.227.399 €
AT THE MEETING			
Taxes	77.129 €	179.815 €	10.217 €
TO THE INVESTORS			
Lenders for remuneration financing	46.644 €	101.675 €	333.093 €
TO THE COMMUNITY			
Social initiatives, educational endeavors, and cultural programs	67.129 €	127.730 €	75.156 €
Sponsorships	36.712 €	43.637 €	99.362 €
REINVESTED VALUE			
Depreciation	1.369.467 €	1.341.220 €	1.641.099 €
Allocation reservation (legal and indivisible L59/92)	145.551 €	277.171 €	63.500 €
Pre-tax net income	556.160 €	466.710 €	571.536 €

NET REVENUES, EQUITY, AND LIABILITIES

	2021	2022	2023
Revenue	31.836.827 €	40.870.131 €	43.376.522 €
Capitalization	4.800.000 €	4.800.000 €	4.800.00 €
Debts	20.115.324 €	19.892.295 €	29.387.439 €



201-2

Climate adaptation, resilience, and transition

Gilardoni maintains its quality management system by ensuring the Company Risk Analysis is regularly updated. This analysis monitors risks and opportunities stemming from company operations and within the Gilardoni context, encompassing factors related to climate change.

With this in mind, in 2023, the opportunity to enhance energy consumption was seized, leading to the development of the "Relamping" project. Approximately €180,000 was invested to replace traditional lighting systems with modern LED lamps to decrease energy consumption.

The shift to LED lighting, while not fully implemented yet, has already shown a nearly 60% decrease in energy usage for lighting compared to the previous system, resulting in savings of 41,866kg of CO2.

It is anticipated that the savings margin will increase in 2024 upon project completion.

Replacement lamps were provided to employees in need.



In 2024, € 30,000 has been designated in the budget for the alteration of the air conditioning system (hot-cold) by replacing the distribution equipment in the offices.

This renewal will enable the replacement of outdated consumption systems with innovative and technologically efficient systems, leading to improved comfort conditions for workers.

201-3

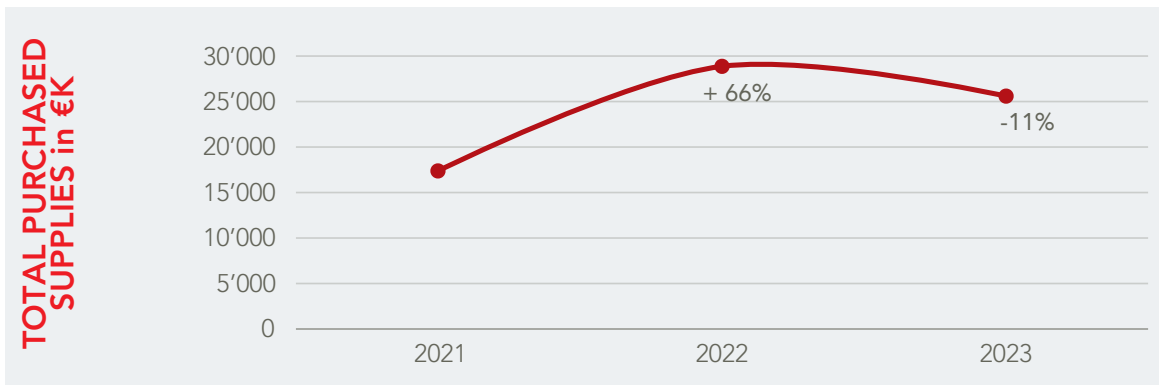
At Gilardoni, every employee during the hiring process has the autonomy to select the allocation of their TFR, whether to the category pension fund (Cometa), alternative funds, or retain it within the company.

During the course of employment, every employee has the opportunity to modify their selected destination and contribution level by including a percentage of their preference, beyond the predetermined amounts agreed upon by the employee and the employer.

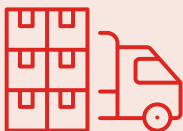
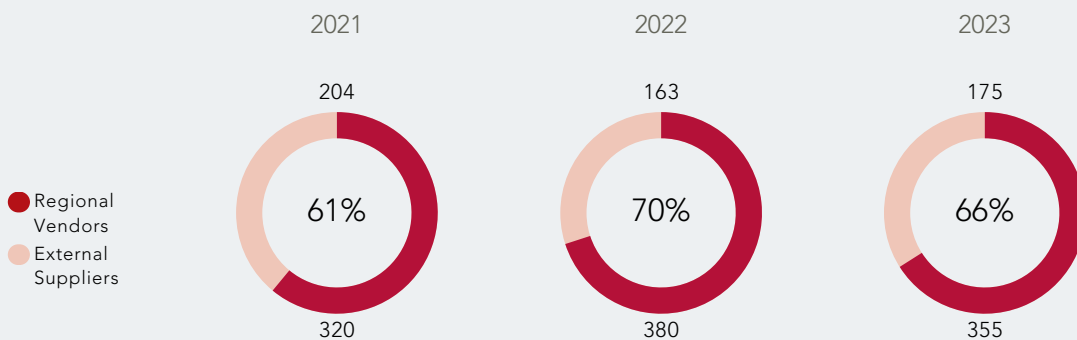
The funds' allocation benefits from a higher deduction from business income of approximately 4%.



204-1



Local suppliers' incidence



Gilardoni refers to suppliers located within 100km of the operational headquarters in Mandello del Lario; in 2023, they accounted for 66%.

Moreover, 84% originate from Italy.

2-6
308-1
308-2
414-1
414-2

The primary supplies of the Company include mechanical supplies, carpentry and semi-finished products, electrical and/or electronic supplies, raw materials and materials, plant machinery, maintenance, repair, operation (MRO) activities, and after-sales activities.

Gilardoni considers ESG criteria in its supplier selection process to incorporate sustainability into its supply chain. Suppliers chosen by the Purchasing Management team must undergo qualification based on the "Material Procurement and Preservation" procedure, which includes an assessment questionnaire covering ESG criteria.

In 2023, no new suppliers were identified as having significant potential or actual negative social impact.

The 2023 Sustainability Report (2022 competence) was distributed to all primary suppliers during the year. Subsequently, after the year-end review in 2023, the revised Gilardoni Code of Ethics was issued, requesting suppliers to confirm their adherence.



205-1

Gilardoni implements an Anti-corruption policy founded on transparency, completeness of information, legality, and correctness. This policy aims to raise staff awareness regarding fraud and corruption, enabling them to prevent, deter, and report any breaches of anti-corruption laws.

In order to prevent instances of corruption, Gilardoni has implemented appropriate anti-corruption measures and safeguards outlined in the Code of Ethics and in the Organization and Management Model (in accordance with Legislative Decree 231/2001).

In the 231 model, revised in December 2023 in response to regulatory changes, the company identifies processes and areas sensitive to potential crime risks, for which appropriate internal procedures and regulations are established.

Moreover, in accordance with the guidelines of Model 231, Gilardoni has established and designated a Supervisory Body (SB) with independent powers of action and oversight in effect since 2019.

205-2

All employees receive thorough information about Gilardoni's Model 231 and the Code of Ethics upon hiring, during continuous training, and when updates are introduced.

The December revision 05 of the Code of Ethics was distributed to all primary suppliers, requesting their confirmation of compliance with the principles outlined.

Finally, the company website has implemented updates to the Code of Ethics and the new Whistleblowing procedure, making them accessible to all stakeholders.

205-3

In 2023, as in previous years, NO incidents of corruption or whistleblowing were documented.



206-1

The subject was deemed irrelevant by the Materiality Analysis; however, as previously mentioned, we opted to include it for the sake of comprehensive information.

In 2023, as in previous years, no lawsuits were filed for anticompetitive behavior, antitrust, and monopolistic practices.

8. ENVIRONMENTAL PERFORMANCE



MATERIALS



ENERGY



WATER
RESOURCES



TERRITORIAL
PROTECTION



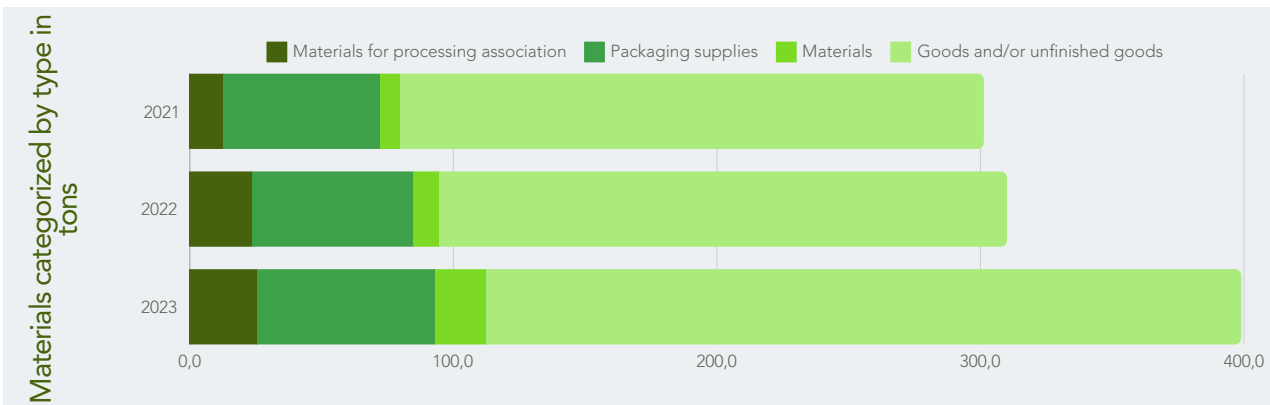
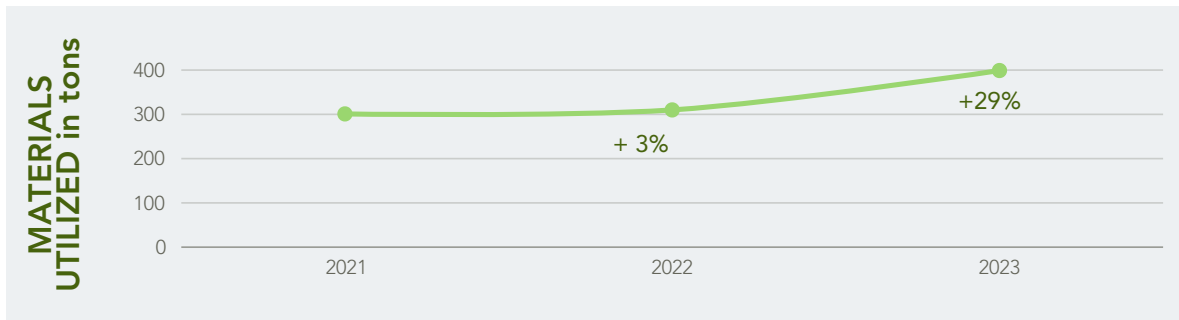
GREENHOUSE
GAS
EMISSIONS



WASTE
MANAGEMENT



301-1
301-3



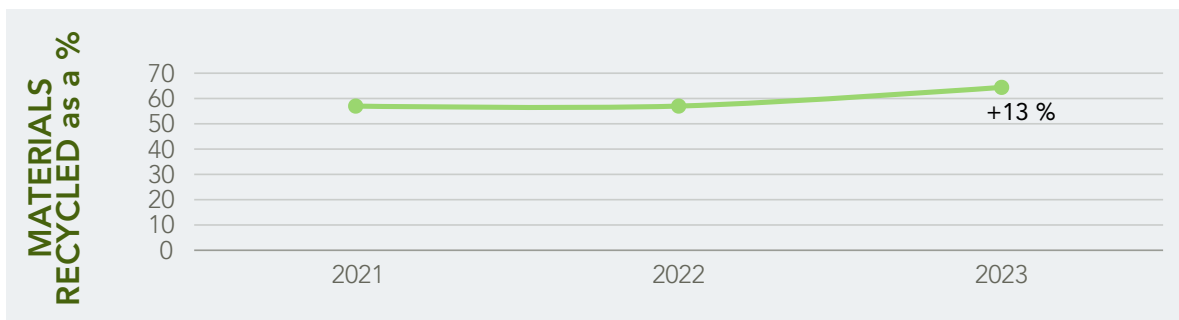
The primary materials utilized in its production processes are:

- Raw materials like lead sheets, aluminum sheets, and stainless steel.
- Processing materials associated with the task include universal thinner, salt tablets, catalysts, oils, and lubricants.
- Semi-finished goods or components like electromechanical, electrical, and electronic boards, or materials integrated into the final product such as epoxy resin.
- Packaging materials such as cardboard, wood, and plastic packaging.

The rise in material is directly proportional to the increase in turnover.

For the aforementioned materials, it is challenging for us to determine their origin, whether they are from recovery or remanufactured, despite being highly technological.

301-2



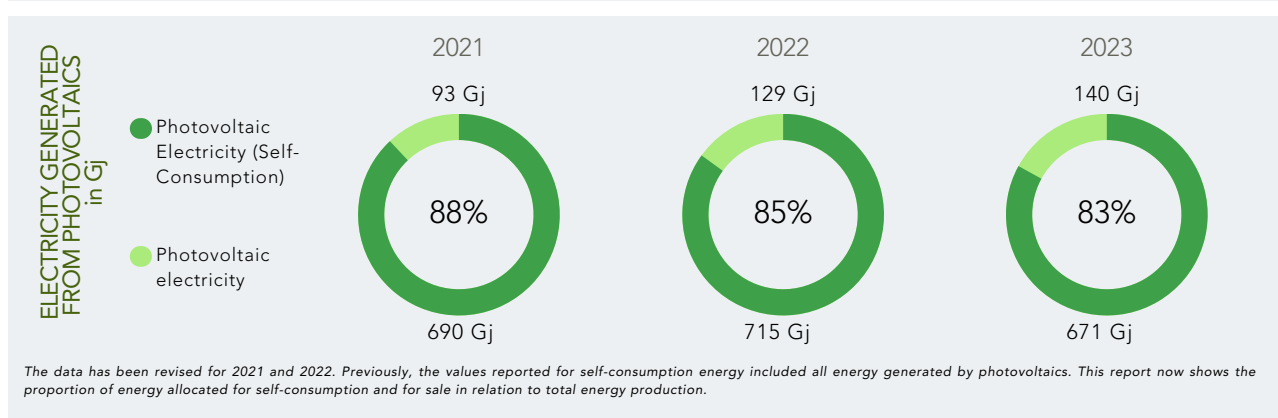
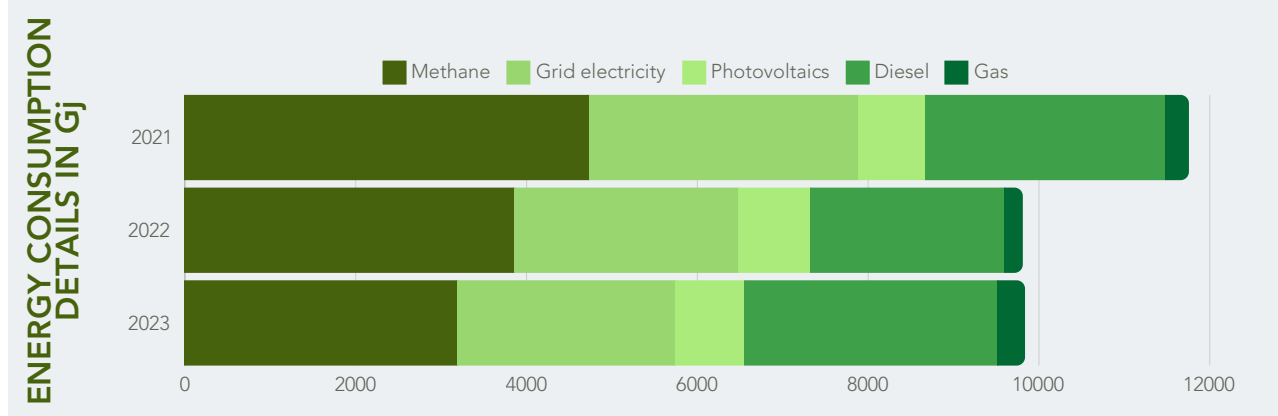
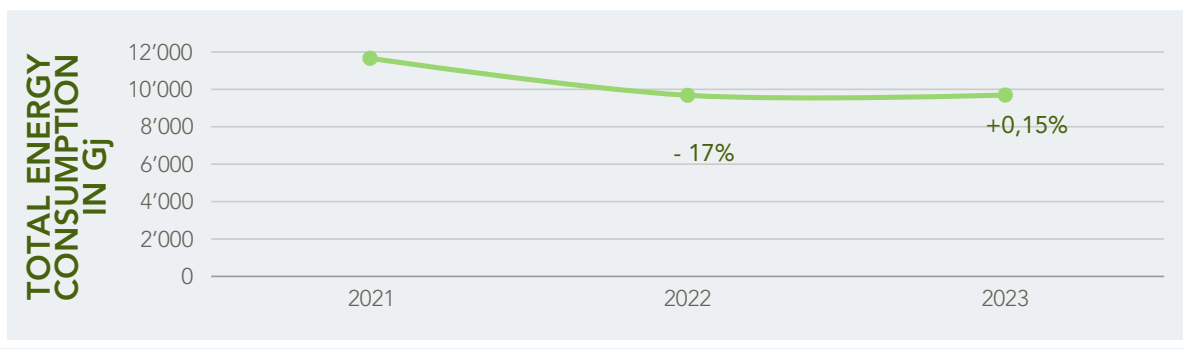
The sole recycled materials for which we have records of communication are cardboard and wooden packaging utilized for packaging.

Restatement:

Starting this year, the weight of electrical materials used, based on the number of electrical/electronic boards acquired from external suppliers and utilized in our production process, is now considered alongside electromechanical components. Additionally, the weight of packaging materials, previously measured in units, has been documented. These modifications enabled more comprehensive data; the figures for the preceding two years were also adjusted.

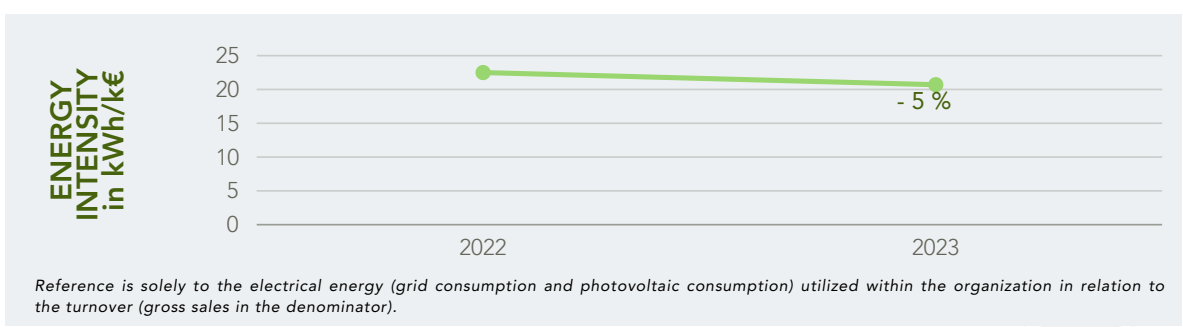


302-1
302-4



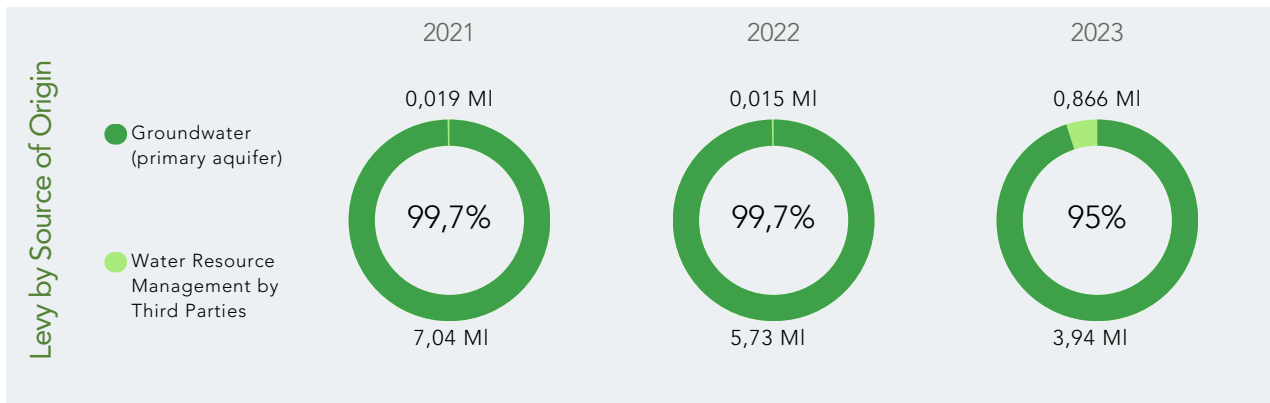
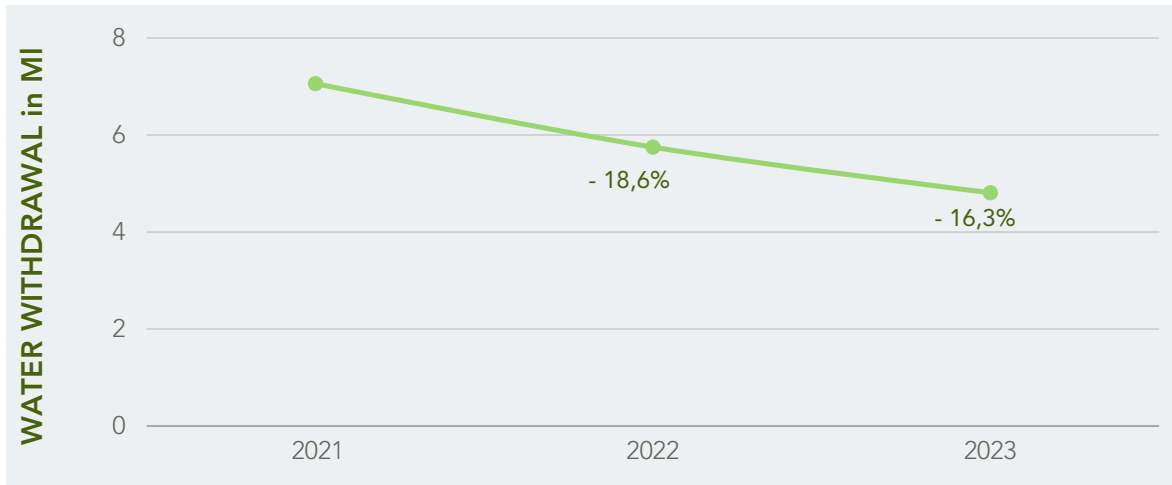
Gilardoni has possessed a solar power system since 2012, leading the way in its active involvement in the transition to a low-carbon economy. The energy acquired from the grid can be categorized as 75.8% from non-renewable sources and 24.2% from renewable sources.

302-3





303-1
303-3
303-5



Freshwater typically contains total dissolved solids at concentrations below 1,000 mg/l.

In comparison to the prior reporting period, the volume of water extracted in 2023 decreased by over 16%. Additionally, to ensure the sustainable utilization of water resources and encourage the shift towards circular economy-based production models, Gilardoni has implemented a water recirculation system for several years.

The fire prevention system is connected to the water network for safety purposes. In 2023, maintenance was conducted on this system, involving the emptying and refilling of the emergency tank, resulting in water being withdrawn.

The analysis conducted utilizing the Aqueduct Water Risk Atlas provided by the World Resource Institute (WRI) revealed that withdrawals occur in regions categorized as low-medium water stress.



Territorial Protection

The subject was deemed irrelevant by the Materiality Analysis; however, as indicated in the methodological note, we have chosen to rekindle our interest in this topic that is dear to us.

Our landscape has always been a valuable asset to conserve. Since the inception by Arturo Gilardoni, the Gilardoni factory has been constructed, preserved, and extended with the highest regard for the nearby environment.

Gilardoni is absent from protected areas, regions of concern regarding volatile fauna, and the Natura 2000-SIC network.

In an environment constrained by landscape and environmental factors, Gilardoni consistently ensures the aesthetic quality of the production site by incorporating plantings and gardens while maintaining visually unobtrusive heights.

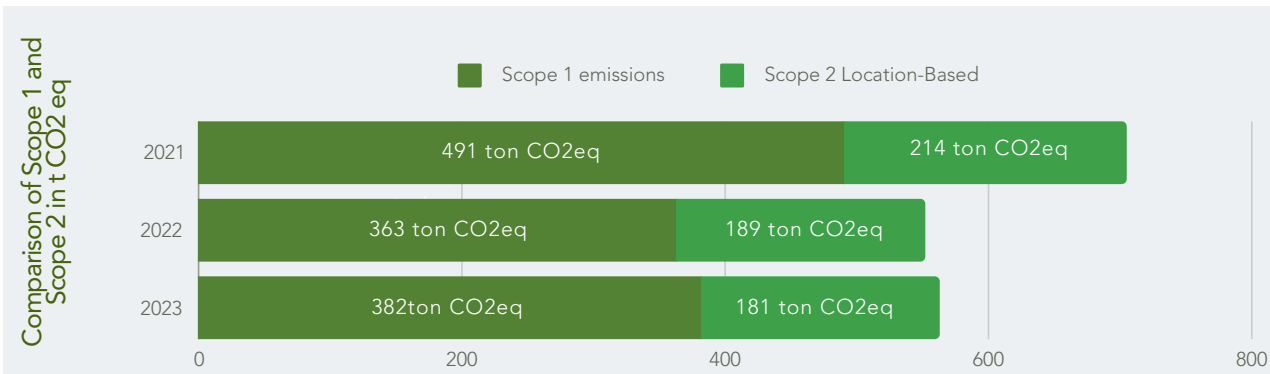
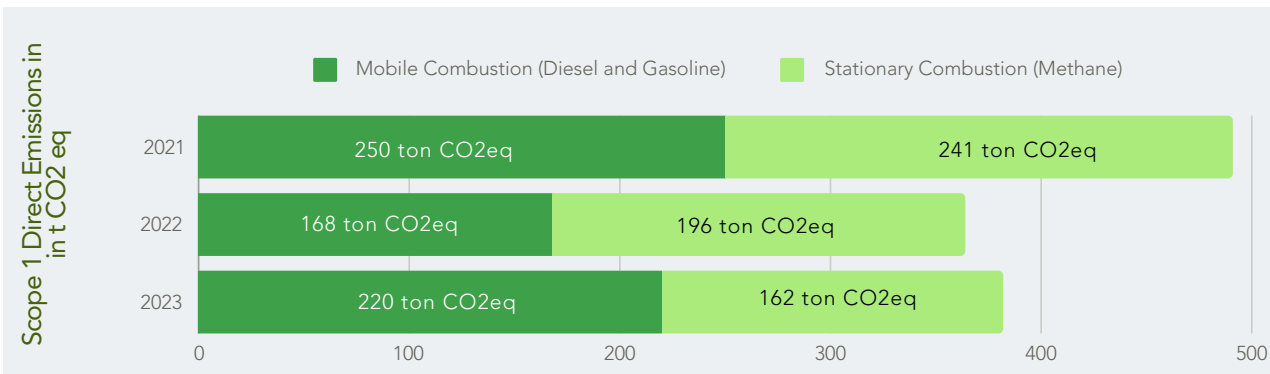
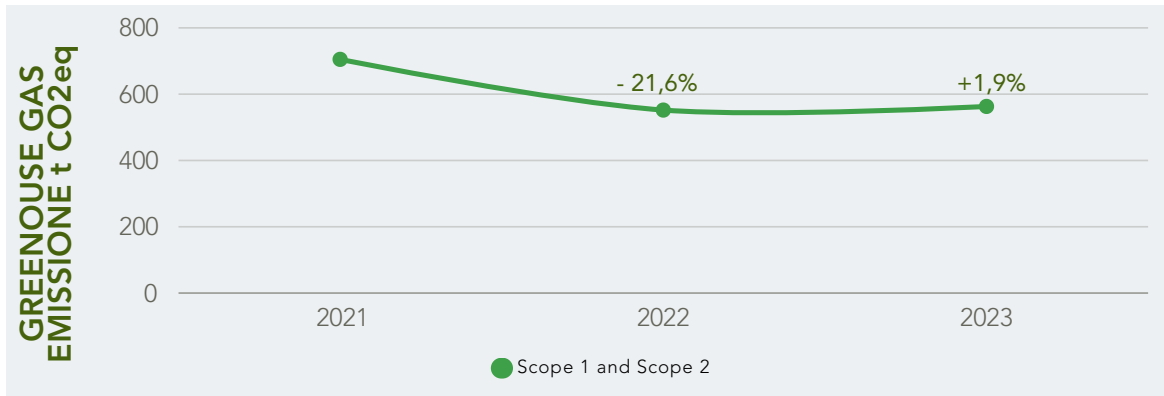


"WE CARE ABOUT OUR BELOVED GRIGNE AND OUR BEAUTIFUL LAKE"





305-1
305-2



Gilardoni monitors its greenhouse gas emissions by estimating and reporting them in CO2 equivalent. Adhering to the Greenhouse Gas Protocol guidelines, the direct emissions (Scope 1) from fossil fuel use in transportation (mobile combustion) and heating (stationary combustion), along with the indirect emissions (Scope 2) from electricity consumption sourced from the grid, were calculated. Scope 1 emissions were estimated using the emissions factors documented in the DEFRA database (2023). To estimate Scope 2 emissions, the "Location Based" calculation utilizes emissions factors from the Italian National Inventory Report 2023, ISPRA.

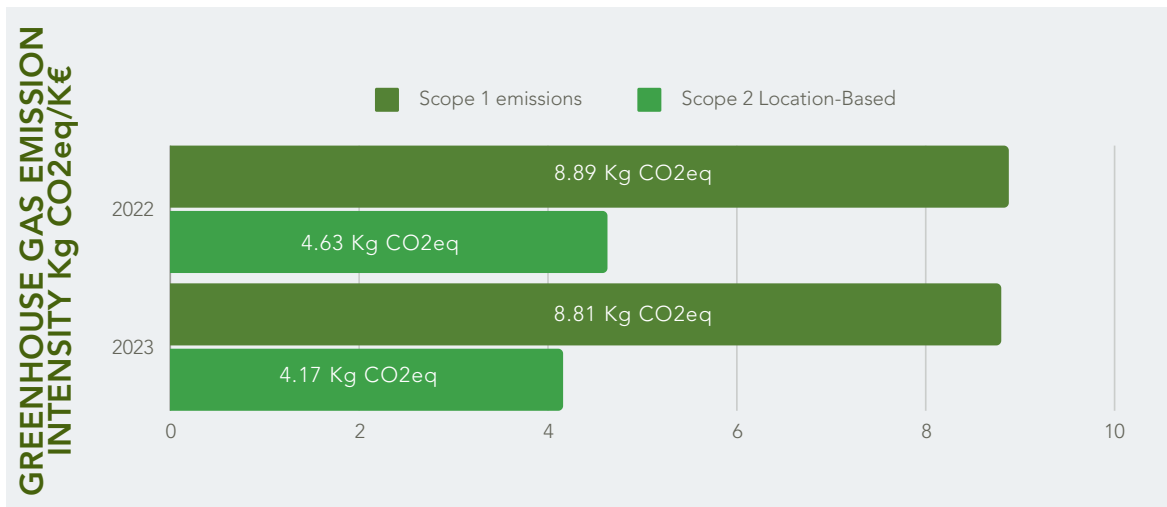


In 2023, the company's car fleet will transition to greener options, favoring hybrid vehicles.

Restatement:
The emissions for 2022 differ from those reported in the 2022 Budget due to the unavailability of the emission factor for that year at the time of drafting, leading to the use of the 2021 factor instead. Additionally, an update of the conversion factors was carried out for calculating the 2023 emissions, necessitating consideration of this variation when comparing with values from previous years.



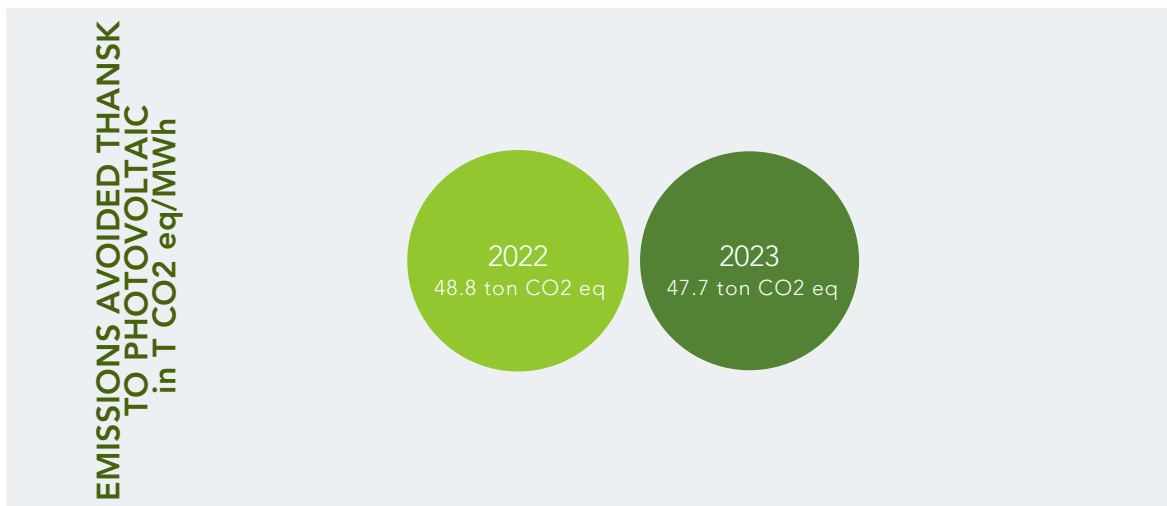
305-4



Emission intensity is a metric derived from the correlation between emissions value and turnover (gross sales). It is computed for two emission categories, Scope 1 and Scope 2.

It is evident that, despite the rise in emission parameters, there is a decrease in values compared to the previous year when juxtaposed with the increasing turnover.

305-5

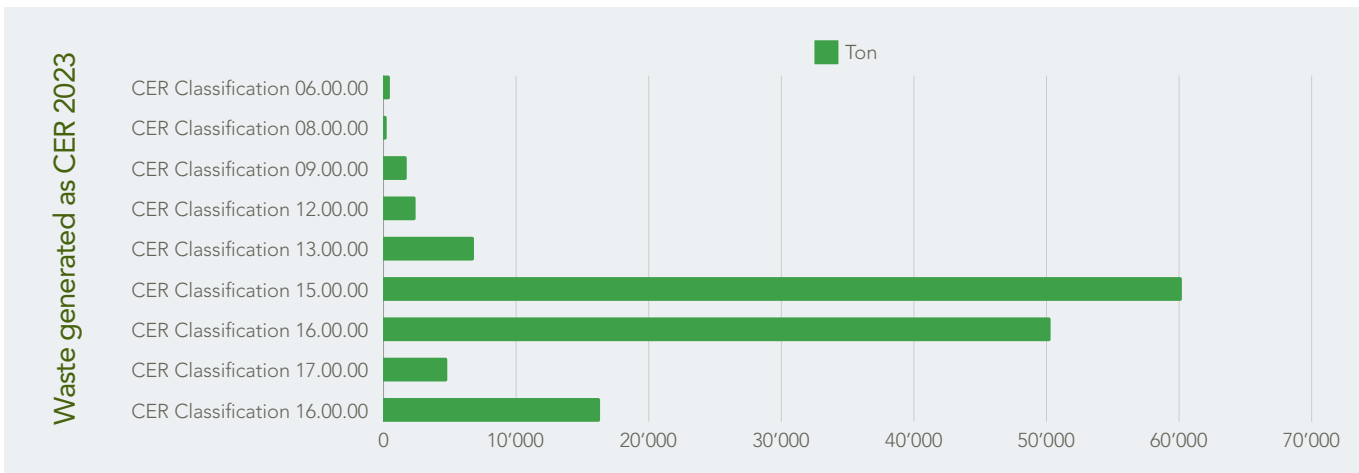
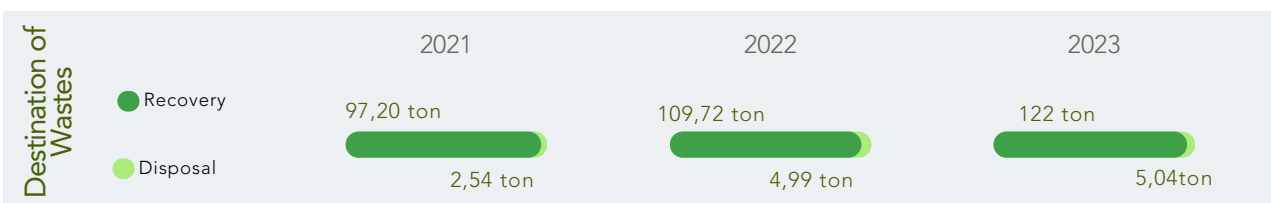
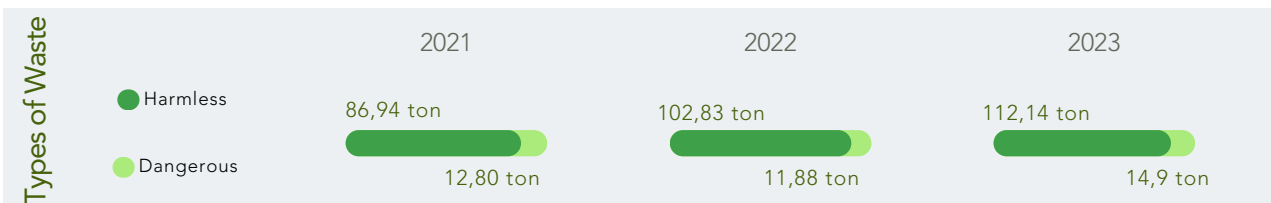
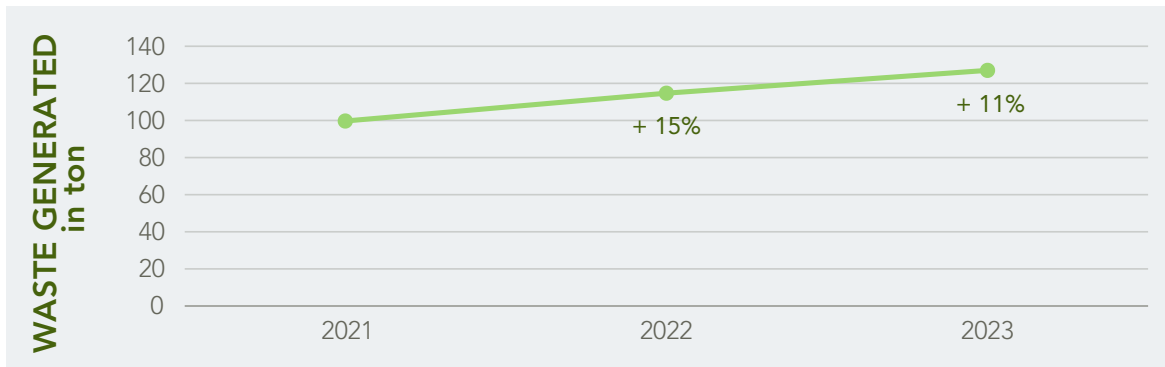


Note:
The EF emission factor utilized for location-based calculations pertains to the data disclosed in the Italian National Inventory Report 2023 by ISPRA.

Thanks to the longstanding photovoltaic system, there are no significant variances compared to 2022.



306-1
306-2
306-3
306-4
306-5



Gilardoni has established precise control procedures for production processes to actively support the development of a circular economy system and oversee waste generation. The rise in waste in comparison to prior years is directly proportional to the increase in turnover.

Roughly 90% of the waste generated in 2023 can be categorized as non-hazardous, with only a small portion classified as hazardous waste. Closing the waste cycle involves focusing on valorization, prioritizing recovery over disposal. In 2023, 96% of the generated waste was sent for recovery to validate this best practice. Gilardoni depends on authorized companies specialized in the management and treatment of waste for transport operations and final disposal. Gilardoni has implemented internal protocols for the systematic handling of waste.

9. SOCIAL PERFORMANCE



NON-DISCRIMINATION AND EQUAL OPPORTUNITIES



FREEDOM TO ASSOCIATION AND COLLECTIVE BARGAINING



LOCAL COMMUNITIES



CUSTOMER HEALTH AND SAFETY



PROTECTING CUSTOMER PRIVACY



EMPLOYMENT PRACTICES



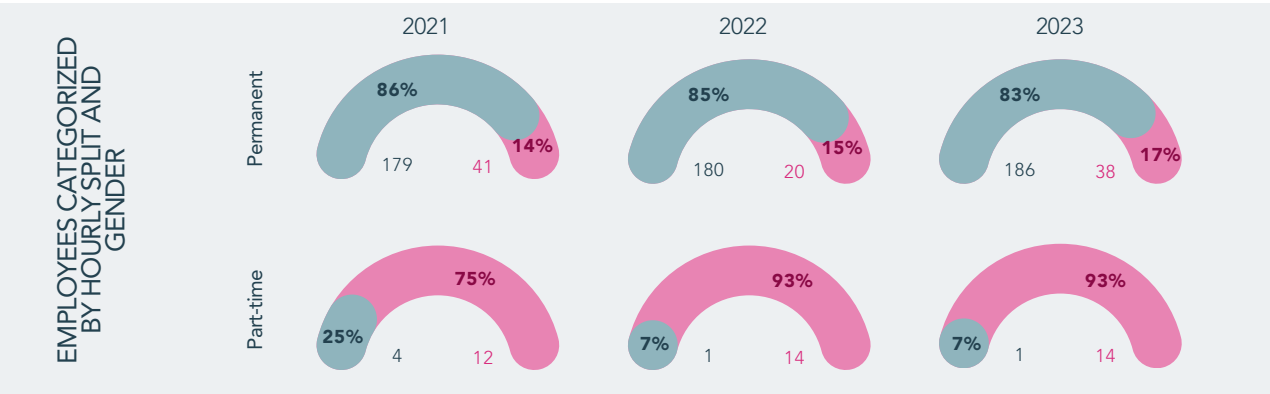
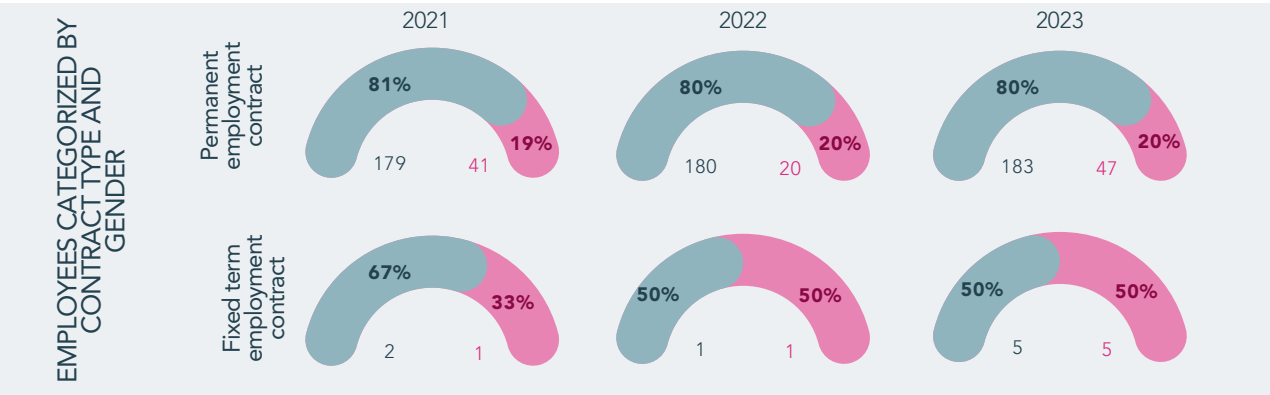
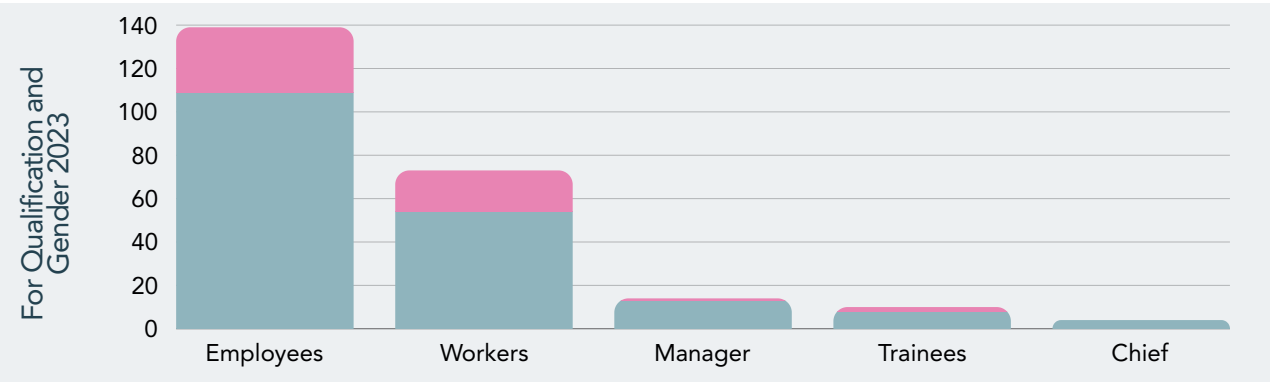
WORKPLACE HEALTH AND SAFETY PROTECTION



STAFF TRAINING



2-7





When reporting the aforementioned information, Gilardoni considered all employees of each entity.

The data pertains to the conclusion of the reporting period, specifically referring to employees employed as of December 31, 2023.

In the statistics, part-time employment has been reallocated to full-time positions (40 hours per week), with the data referenced on a gross basis.

The rise in the overall employee count is being coordinated by the staff in alignment with the budget projected for the company's future plans.

2-8

In 2023, Gilardoni utilized 7 non-employee workers for support and consultancy on design, commercial, and production activities, including 3 freelancers, 1 on-call contractor, and 3 individuals with VAT numbers.

202-1

All employees are bound by the National Collective Labor Agreement for workers in the private metalworking industry and plant installation, known as CCNL, effective as of 02/05/2021, and enforced according to Italian law. The fourth section, Title IV, Remuneration and other economic provisions of this contract, stipulates in Article 5 minimum monthly wage scales for the sole classification of employees.

Non-employee workers are essentially freelancers with whom a collaboration contract is stipulated that does not specify the minimum wage.

202-2

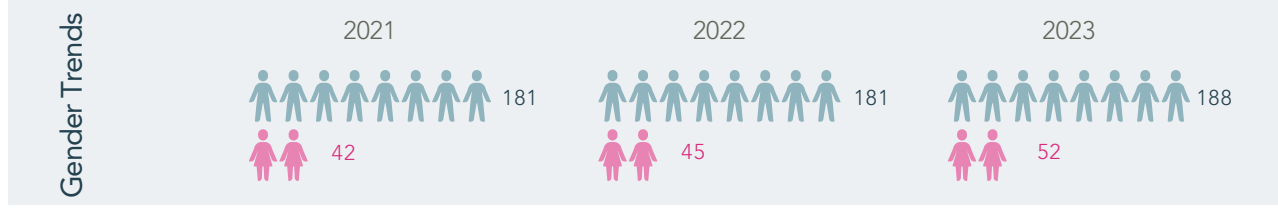


Approximately 35% of Gilardoni staff reside within a 5 km radius of the company's headquarters.

The senior leadership comprises individuals who reside in Mandello del Lario or its vicinity, within a 5km radius of the Gilardoni operational center.



401-1



2023 TURNOVER RATES

Positive rate of Turnover Entered in 2023 / Staff at the onset of the period	Decreased turnover rate Released in 2023 / Staff at the onset.	Total turnover rate Staff turnover in 2023: joined and left during the period.
12,3%	6,2%	17,6%

401-2

- Gilardoni offers various benefits to its employees, including:
- Hours: shiftless day / summer schedule / flexible scheduling
 - Agile work methodologies (smart work)
 - Company canteen
 - Economic advantages from wedding bonuses and baby bonuses
 - Parental leave for all
 - Annual bonus and performance bonus
 - Welfare premium offered by the National Collective Bargaining Agreement.
 - Supplementary insurance premium
 - Package collection and delivery service along with laundry service.
 - Employee parking lot
 - Flu vaccine service
 - Contracts with stores and businesses in the vicinity
 - Recharging electric scooters using photovoltaic panels

- In addition to these advantages, Gilardoni implemented/supported in 2023:
- Group activity programs (beach volleyball and padel)
 - Replaced snacks and beverages in vending machines with healthier options and products suitable for individuals with celiac disease. The "RiVending" program, launched in collaboration with Corepla, focuses on recycling coffee machine cups efficiently and completely.
 - Eco-friendly devices for sustainable expos and conventions, crafted from organic materials.
 - The Christmas lottery involves distributing gifts from suppliers to employees.

401-3

In 2023, all eligible individuals who took parental leave returned to work and maintained it in the subsequent 12 months.

402-1

Gilardoni convenes biannual meetings with labor union representatives to inform them about the company's advancements, both economically and organizationally, and to address and exchange views on notable modifications. These same subjects are presented to employees directly during the semiannual company gatherings.



403-1
403-8

Gilardoni adheres to operational procedures and protocols in accordance with the stipulations of the National Regulations on Health and Safety in the Workplace (81/08 as amended). The PPSM is internal and relies on the collaboration of an ASPP. The workers' representative for security, managers, and supervisors are consistently trained, and the safety organizational chart is posted on company noticeboards for all employees to access.

The company's Risk Assessment Documents are maintained and an Emergency and Evacuation Plan is in place to conduct necessary tests.

All internal staff at the operational headquarters and branch offices, as well as the operators on customer duty, are engaged.

Moreover, all suppliers entering the facility to perform work tasks must adhere to the existing regulations and provide all necessary legal documentation.

403-2
403-7

Gilardoni monitors Near Misses in addition to monthly accident reporting, risk resolution, and mitigation activities. This is done to prevent and identify potential dangers through related assessments and investigations.

All employees have the liberty to reach out to the workers' representative for security to report hazardous conditions and can directly contact the HSE office staffed by the PPSM and ASPP.

403-3

Every employee undergoes health monitoring based on their assigned tasks by the Competent Doctor who is regularly available at the company to assess their fitness for the role.

The Radiation Protection Expert oversees inspections of the structure and employees, and ensures staff training.

403-4

Annually, the Periodic Safety Meeting convenes with the Employer, the PPSM, the Competent Doctor, and the workers' representative for security participating to review the previous year's outcomes and strategize for ongoing enhancements.

403-5

Upon employment, all staff members receive training on their responsibilities and receive regular updates. Additionally, job-specific and specialized training sessions are conducted as needed (e.g. for forklift operators, working at heights, etc.).

403-6

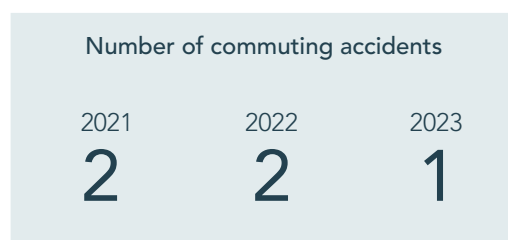
All workers, in the face of the national collective agreement to which we respond, have access to the welfare platform Metasalute.

403-10



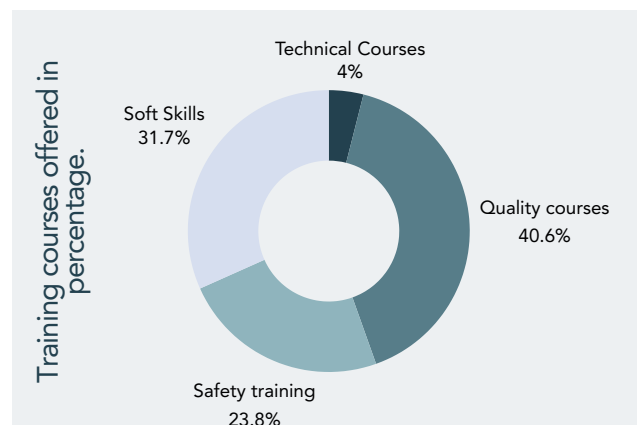
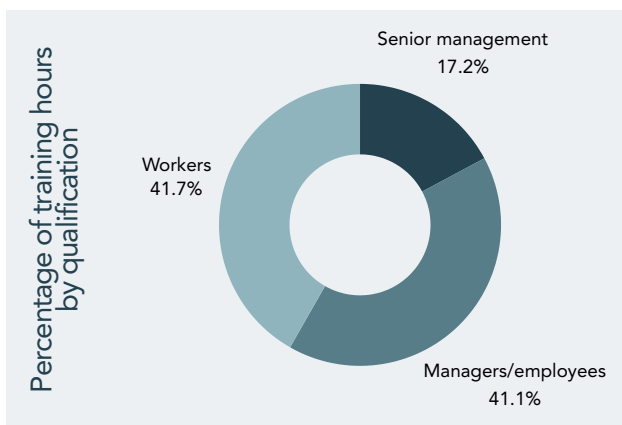
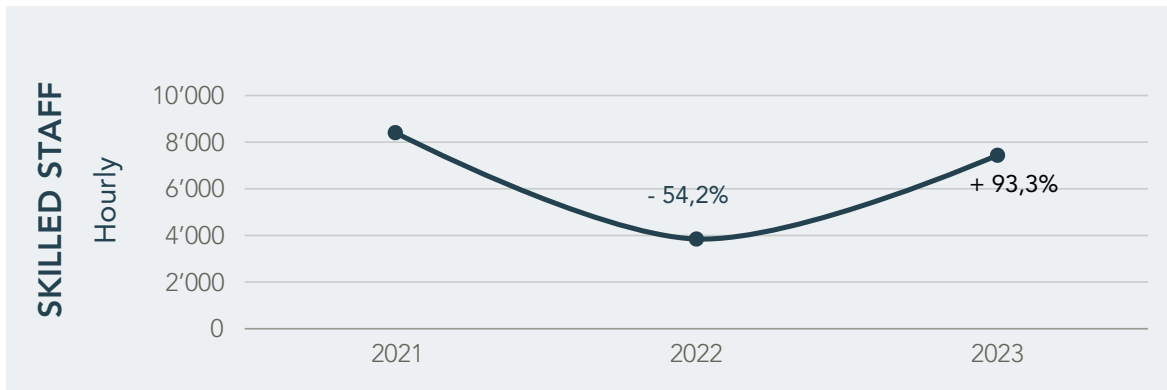


403-9

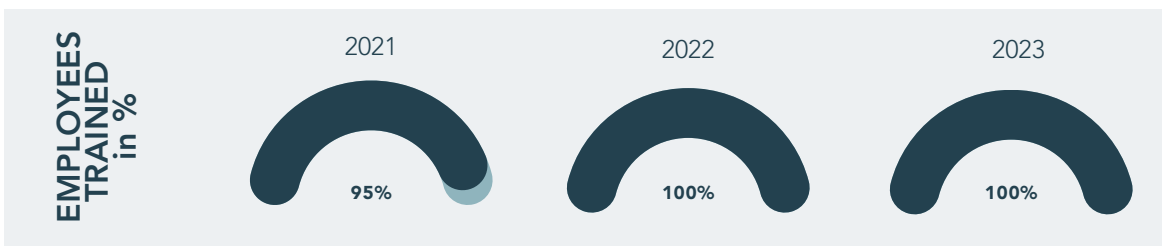




404-1



404-2



We prioritize the training and personal and professional development of all our employees, recognizing that the expertise they gain is a valuable asset, benefiting not only our organization but also themselves.

Training is organized and provided at every level of the organizational hierarchy, encompassing job-specific technical elements, soft skills enhancement courses, and courses focusing on workplace quality and safety.

404-3

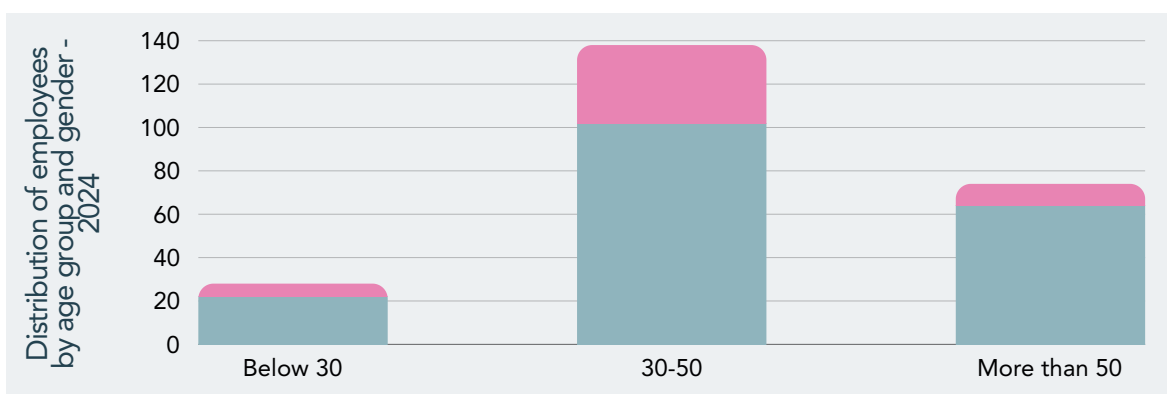
Also for 2023, with a view to continuous personal development, 100% of the employees were subjected to the process of evaluating their performance.

This evaluation is performed both 'bottom-up' and 'top-down' and involves the conduct of an analysis in various aspects, including the measurement of the results achieved, the monitoring of motivation, measuring the effectiveness of the training received and the career advancement of the resource, as well as measuring the ability to manage the team, attitudes and leadership (for bottom-up assessment).



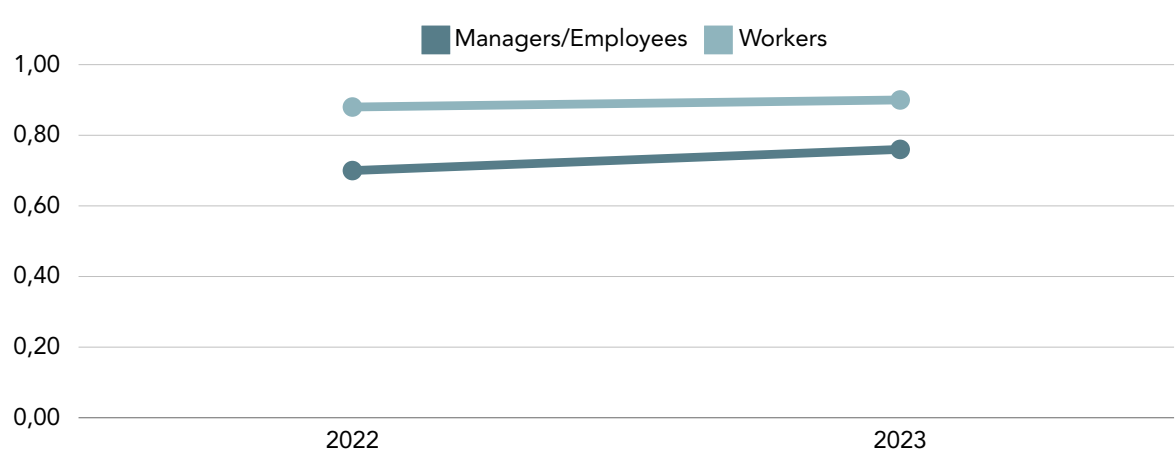
405-1

MEMBERS OF THE SUPREME GOVERNING BODY



405-2

The salary ratio for women to men in the managers/employ category is 0.76, whereas among workers, it increased to 0.90. Both ratios have shown improvement from 2022.





406-1

Respecting the dignity and integrity of individuals is a fundamental value at Gilardoni, with its main goal being the establishment of a work environment that condemns all types of racism and discrimination. The values and regulations outlined in the Code of Ethics ensure that all individuals working with Gilardoni are entitled to fair and respectful treatment. Gilardoni does not discriminate based on race, place of birth, ethnic origin, skin color, disability, age, sex, sexual identity, religious belief, state of health, or sexual orientation, in accordance with the law.

Gilardoni acknowledges the significance of safeguarding individual freedom in all its aspects, eschewing any display of violence or exploitation. Instead, it advocates for nurturing individual qualities and underscores the unique contribution of each individual towards achieving organizational success.

In 2023, there were also no instances of discrimination.



407-1

Gilardoni leaves absolute freedom to all employees to conduct collective bargaining of terms and conditions of work through the two trade union acronyms present (CGIL and CISL).

For this, regularly paid union meetings are scheduled and conducted annually to employees and are conducted in the premises Gilardoni, so that all employees can participate.

Employees are also free to put forward personal nominations to become corporate and RLS union representatives, which are voluntarily voted by the employees themselves.

Finally, Gilardoni does not prejudice any cooperation relationship with any stakeholders in the face of its membership in trade union organizations.

At the same time, Gilardoni participates as an associative member in Assolombarda and is present at ACI - Airport Council International.



413-1
413-2

Gilardoni consistently prioritizes engagement with local communities and various social and cultural initiatives targeting stakeholders and communities alike.



The Arturo Gilardoni Foundation was established in memory of Engineer Arturo Gilardoni, who always prioritized training and research, values upon which he built his company. The Foundation advocates for the advancement and implementation of new technologies in radiology and ultrasound, positioning itself as a bridge between research and the regional and national economic sectors. It fosters education across all academic tiers by forging strong connections between educational establishments and businesses.

The Foundation issues calls for tenders and scholarships, hosts events, and has instituted a unique award. This year, the "Gilardoni Award" was presented during the IMAGING 2023 Workshop week at Villa Monastero in Varenna. Dr. Clara Magnin from the University of Grenoble Alps received the award for the best oral presentation titled "X-ray Phase Contrast and Dark-field Imaging on Laboratory Equipment Using Random Modulation."

Gilardoni generously backs multiple Associations and Foundations.

- The Auser Association, which engages in voluntary socio-health support activities in the Municipality of Mandello Del Lario;
- The "SVS Donna Help Donna" association is involved in the "Rebirth Project," which aims to empower women and their children who have survived violence.
- The Pietro Gamba Foundation serves the population of the Department of Cochabamba in Bolivia through its hospital.

Moreover, Gilardoni has integrated the "Cooperativa Sociale Incontro" into its list of suppliers.

This cooperative in Mandello del Lario facilitates the social inclusion of marginalized individuals through productive endeavors, focusing on those with intellectual, mental, or physical challenges. By offering these individuals the opportunity to engage in a conventional work trajectory, the cooperative helps restore their dignity, sustenance, and most importantly, a sense of purpose for the future.

Moreover, Gilardoni dedicated over 1700 hours in 2023 to support schools, universities, research, and more, as illustrated below:

- 1,032 hours dedicated to supporting students in school/work alternation projects as tutors;
- 57 hours were dedicated to attending Open Day and Campus Orientation activities at different schools in the area and supervising students during training internships or thesis projects.
- 12 hours allocated to diverse visits of our factory by associations;
- 36 hours of training dedicated to our GIL Institute;
- 582 hours were devoted to scientific dissemination, including participation in conferences, meetings with Polytechnics, involvement in TED Lecco, and various webinars to share and offer our scientific expertise.



There are activities of scientific dissemination also through the publication of 'GILTALKS', a series of videos available on YouTube, where they deal with different issues in the field of X-rays and Ultrasound, telling all visitors about our fascinating world through the passion that unites us and distinguishes us since 1947.

In 2023 200 hours were invested for more than 20 content.



In 2023, the project initiated the year before reached completion.

The GIL Institute has received accreditation from a third party as an Examination Center and Training Center for certifying individuals with the Non-Destructive Testing Officers qualification in the industrial sector, following the guidelines of ISO 9712.2021 with an extension to the Ansfisa Guidelines rev.02 of 03/03/2023.

For Gilardoni, the GIL Institute serves as both a training and examination hub for NDT personnel. Additionally, it aims to be a communal space for hosting workshops and coaching sessions for schools, professionals, and universities. This enables students to gain firsthand experience in practical and productive applications.

In 2023, Gilardoni conducted numerous classes for enthusiastic young students seeking to explore the intricacies of an X-ray tube. The skilled staff led training sessions on the principles of x-rays and ultrasounds and their diverse applications, as previously mentioned.



416-1
416-2

Gilardoni inherently produces systems that prioritize the health and safety of individuals. Our systems are categorized into products utilized in the medical sector, including blood x-ray irradiators and blood components for transfusion safety, and products designed to ensure human safety, like our baggage control scanners that detect weapons, explosives, or other harmful materials.

Regarding health and safety in the utilization of our internally conceived and designed products, we adhere to specific quality management system procedures. This primarily includes conducting a risk analysis in compliance with European regulations. This analysis enables the identification of potential risks that could adversely affect individuals throughout the product's life cycle, along with implementing appropriate mitigation measures during the design phase.

All products must undergo a CE declaration process. Medical products require marking and subsequent CE certification after AccreliDia, an accredited third party, verifies compliance with the European Regulation on medical devices.

Prior to being introduced to the market, all products undergo testing and dosimetry checks by our in-house radiation protection specialist.

Throughout 2023, there were no instances of non-compliance, sanctions, or penalties related to regulations and/or voluntary codes on the product or its labeling, and no product recall notices were issued.



418-1

Compliance with EU Regulation 679/2016 is specifically addressed and overseen at Gilardoni through the internal Data Protection Management System (DPMS), which all employees must adhere to.

Gilardoni has designated the Data Controller and the Privacy Coordinator internally and maintains the privacy register current.

In 2023, no violations of customer privacy were recorded.

- Infringement complaints.
- Third-party complaints.
- Regulatory bodies' complaints,
- Occurrences of customer data leaks, theft, or loss.





Throughout 2023, the "I CONSUME LESS" initiative has evolved into a recurring and established occurrence. Each publication presents compelling ideas for contemplating consumption and provides guidance on minimizing waste, both within Gilardoni and in everyday life.

In early 2024, a decision was made to establish the symbol of this initiative, known as "SustainabiliGIL," specifically to distinguish all the activities that Gilardoni engages in following Sustainability principles, under a clearly defined brand.

The dedication of all Gilardoni staff, who have embraced this initiative and consistently put into practice the various suggestions, is a testament to the achieved outcomes!

The "I CONSUME LESS" pills are distributed in Gilardoni through 4 televisions placed in the break areas.

It encompasses a range of subjects, such as:

- Recommendations for reducing consumption and conserving resources.
- The company's bi-monthly safety performance results.
- General guidelines on ethical and appropriate conduct to adhere to in the workplace.
- Information regarding the outcomes achieved by Gilardoni in events and projects it is involved in;
- Group activity initiatives.
- Guidelines for sustaining a comfortable work environment:
- Customer feedback.
- Waste management information.

In 2024, our aim is to pursue the subsequent projects:

- Enhance the existing company management system to encompass sustainable suggestions, fostering increased employee engagement in the ongoing pursuit of improvement.
- Ensure the dissemination of the sustainability report results through our internal TV channels.
- Organize informational sessions for senior executives to disseminate ESG data.

In a more practical context:

- Begin utilizing water dispensers connected to our internal aquifer to allow all staff members to conveniently refill their water containers with clean, regulated water whenever needed.
- Execute the "PastoSano" initiative in collaboration with ATS Brianza to educate and steer all staff towards making healthy choices in the corporate cafeteria.
- I value BIKEsharing and CARsharing/CARpooling projects.

In 2024, Management plans to seek potential external third-party assurance to enhance the credibility of sustainability reporting and bolster Gilardoni's growth and continuous improvement efforts.

Finally, projects will undergo evaluation to contribute to the regeneration of the environment and biodiversity.



2030 GOALS

Continuing to envision a green and sustainable future.

Governance

- Internal sustainability coordinator appointment
- Initiation of company/product certifications centered on sustainability issues.
- Certification of the 231 management system in accordance with UNI ISO 37001.

Gilardoni aims to enhance its dedication to sustainability integrated into its framework, fostering transparency, the ongoing embrace of ethical practices, and the reinforcement of decision-making accountability, with a focus on the sustainable management of operations.

Environment

- Digitization and paper use reduction
- Enhancement of the current photovoltaic system's efficiency.
- Material Reduction in Our Products
- Incentivizing the utilization of electric bicycles or motorcycles.

In the future, Gilardoni aims to further decrease its energy impact by optimizing resources, consumption, waste production, and management while favoring eco-compatible materials.

People

- Professional development focused on career advancement.
- Enhancing policies and practices to combat all types of discrimination.
- Initiatives focused on attracting and retaining talent within the organization.

Gilardoni continues to believe that people are the company's greatest asset. For this reason, it wants to continue to invest and encourage talent to join and continue the growth of the company.



OMITTED



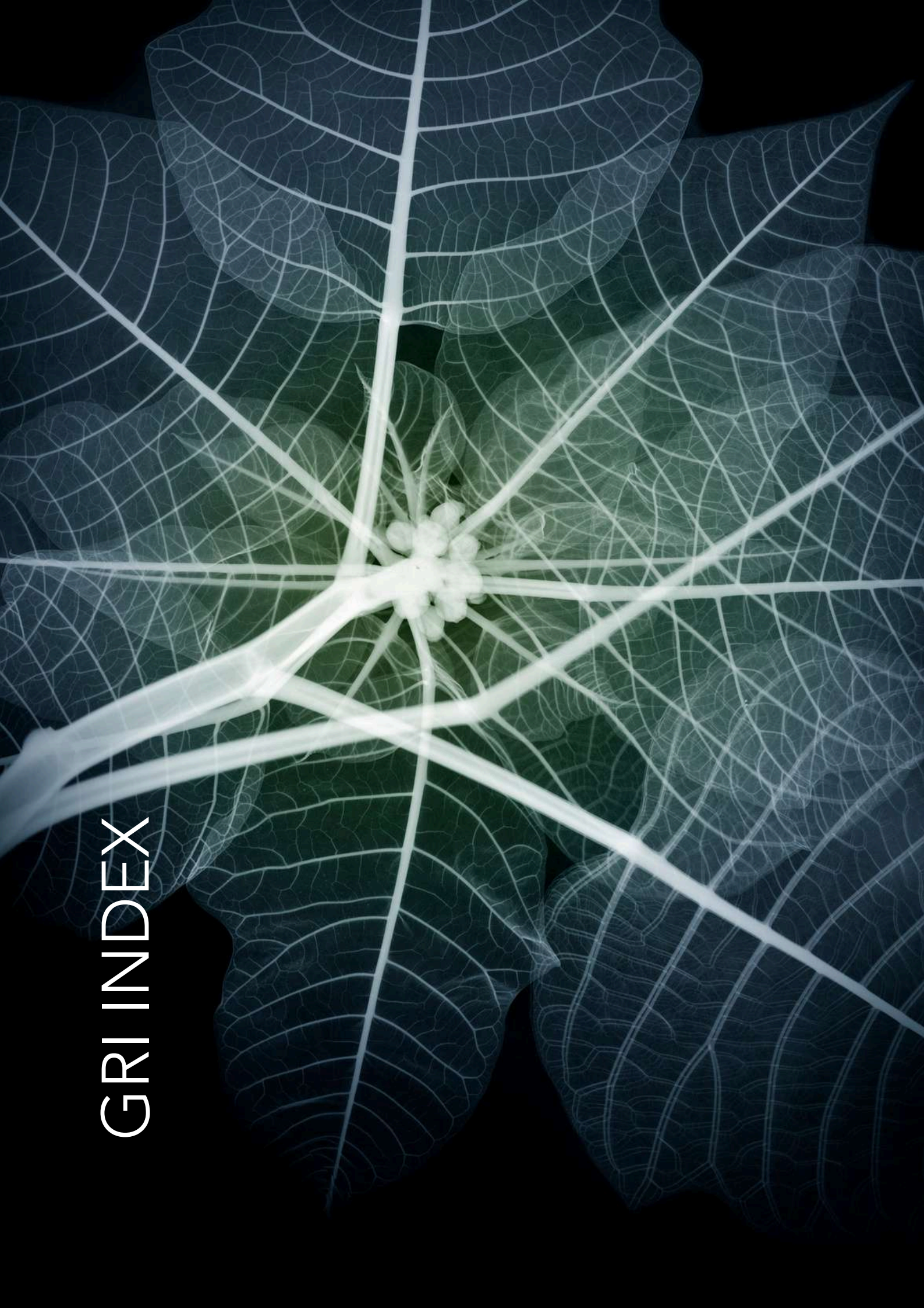
As outlined in chapter 6, the Materiality Analysis identified NON-MATERIAL Topics. This was based on an assessment of the context, nature, business activities, and sectors relevant to Gilardoni, as well as the impacts on Stakeholders.

Despite this, Gilardoni has chosen to include them for consistency with past years, and they can be located in the corresponding chapters according to the themes. Unreported themes include:

- 203 Indirect Economic Impacts 2016
- 408 Child Labor 2016
- 409 Forced or Compulsory Labor 2016
- 410 Security Practices 2016
- 411 Rights of Indigenous Peoples 2016
- 415 Public Policy 2016
- 417 Marketing and Labeling 2016

Listed below are the Material Topics for which, in accordance with requirement 6 of GRI 1 - "Reporting Principles," the rationale for omitting reporting is provided.

- 302-2 Information not reported: currently Gilardoni is not able to correctly find this information relating to consumption outside the organization.
- 303-2 Gilardoni only produces domestic water discharges and does not require any specific authorizations.
- 305-3 Unreported data: Gilardoni currently does not conduct Scope 3 calculations.
- 305-6
305-7 As regards emissions of ozone-depleting substances, they are not relevant in relation to Gilardoni's production activities.



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