

The Spasciani logo is rendered in a bold, italicized, sans-serif font. The letters are white with a black outline, and the entire logo is contained within a white rectangular box with a black border. The background of the entire page is a photograph of two men in white lab coats and yellow safety glasses. One man is holding a blue handheld device, and both are looking at it intently. The lab coats have a small Spasciani logo on the left chest.

Spasciani

YOUR SAFETY MAKER

SUSTAINABILITY REPORT

FOR THE FINANCIAL YEAR ENDED ON 31.12.2023

[EXTRACT]



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We are excited to present our first sustainability report, a significant step in our journey towards a more sustainable and responsible future.

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At SPASCIANI, we recognise that success is not measured only by economic results but also by the impact our actions have on the environment, society and future generations.

With the start of 2023, we are committed to integrating ESG (Environmental, Social and Governance) principles at the heart of our operations and strategies.

This report is not only an account of our efforts, but also a manifesto of our desire to be active in creating a better world.

We firmly believe that sustainability challenges can be transformed into opportunities to innovate, improve and generate shared value.

We are ready to embark on this journey in a transparent way, involving all our stakeholders and inviting each of you to join us on this important journey.

Together, we set new standards, promote responsible practices and build a future where economic progress is accompanied by respect for the environment and social justice.

With a clear vision and determination, we are ready to write the chapter of SPASCIANI dedicated to sustainability.

Let's start this adventure together.

OUR FIRST REPORT

Our first Sustainability Reporting was prepared in accordance with the EU Directive EU2464/2023 and the ESRS standards.

The Corporate Sustainability Reporting Directive (CSRD) EU 2022/2464 introduces new principles for sustainability reporting, requiring greater transparency and accountability from companies in the European Community. The principles include mandatory reporting for public interest corporations, listed SMEs and SMEs that exceed certain requirements.

The sustainability reporting according to CSRD can also be adhered to on a voluntary basis, a principle that SPASCIANI has followed.

The European Financial Reporting Advisory Group (EFRAG) has also developed 12 European Sustainability Reporting Standards (ESRS) which ensure the quality of the information reported and require that the communication is understandable, relevant, verifiable, comparable and accurately represented. EFRAG grants organisations transitional measures for the first three annual sustainability reports.

In particular, for the first reporting year, organizations may omit to report:

- Comparative information with respect to the reporting period preceding the first reporting year
- Reporting requirements for the expected financial effects of all environmental standards (ESRS E 1 to 5)
- Reporting requirements of ESRS S1

ESRS 1 further states that:

- Companies or groups which at the balance sheet date do not exceed an average of 750 employees may omit information on GHG Scope 3 emissions and reporting requirements from ESRS S1
- companies or groups that do not exceed the average number of 750 employees at the balance sheet date may omit, for the first two reporting years, the reporting obligations of the E4 Biodiversity and Ecosystems standards, S2 Workers in the Value Chain, S3 Communities of interest, S4 Consumers and end-users
- For the first three years of reporting, companies may use other frameworks for entity-specific information
- For the first three years, the transitional provisions of the ESRS provide for the possibility to omit value chain information if this is not available, Relinquishing the obligation on organisations to demonstrate that they have made every effort to obtain information, explaining how they expect to obtain it in the future.

The specification of the list of reporting obligations introduced gradually, is found on pages 33-34-35 of the Implementing Regulation 2772/2023.

These transitional provisions apply to our first Sustainability Reporting. The EFRAG will also issue a version of the ESRS for SMEs, expected by end-2024. This version will become the reference point for our reports in the coming years.

The Sustainability Committee is the body responsible for our sustainability reporting. The scope of this sustainability report covers the 2023 financial year and is superimposed on the scope of the 2023 annual financial statements. The sustainability reporting is consistent with the financial statements for the same period.



The Sustainability Committee applies the following time horizons in managing sustainability reporting:

- Short-term time horizon: one year or the reference period of its financial statements
- Medium-term time horizon: two to five years
- Long-term time horizon: more than five years.

The process of writing the Reporting has provided an analysis of market context and competitors, the analysis of stakeholders and materiality of the company, the realization of the dual materiality matrix from which the short and medium-term sustainability strategy development trends were derived. The company's sustainability strategy and a perspective for developing the company's sustainability value chain were then defined.

We have therefore evaluated our sustainability activities undertaken over the last years, to identify the requirements achieved and align them with the new ESRS standards in the field of ESG where the monitoring activities in place, the impacts measured so far, Risk assessment and future development opportunities. We have also taken the path of sustainability with the EcoVadis platform.

BUSINESS AND CONTEXT ANALYSIS FOR SUSTAINABILITY

The company SPASCIANI S.p.A. was founded in 1892 by Riccardo Spasciani to design and produce equipment for preventing accidents at work. The company was born in Milan and thanks to a rapid growth in the 20th century, it moved first to Baranzate, where it will remain for 46 years and then to Origgio. Since 2008, Origgio has been the headquarters, with administrative and commercial offices, production and R&D laboratories. The company currently has around 40 employees and a turnover of around 10 million. From the organizational point of view, it is a family-run company with a well-defined structure, in which internal skills are very important and result from many years of experience in the sector. The company manufactures the various devices, but also carries out office activities of a commercial and administrative type and related to the design of new products. In addition, research activities, new product development and testing and production tests are carried out within a well-equipped laboratory.

In particular, production can be subdivided into four distinct processes:

- Filter production through assembly operations of the same pipelines on automatic cycle lines
- Self-breathing assembly, including assembly of self-contained breathing apparatus, filling of cylinders and finally packaging and packing of finished products before shipment to customers
- Manual assembly and other DPVR (Respiratory Protection Devices)
- Equipment, micro-series and processing of details for the management of various plants as support activities.

Storage and storage of raw materials and finished products awaiting dispatch are carried out to support production. The company also carries out maintenance and repair work on breathing apparatus. The activities carried out in the laboratory are essentially related to the sample testing of the filters produced and the development of new products. SPASCIANI offers a range of respiratory protection devices for different areas of use. With its filter and insulator devices, the company covers the entire respiratory protection market. Filters are devices used in environments with oxygen values greater than 17%. The insulators are devices independent of the surrounding atmosphere used in case it is not sufficient to purify by filtration the air present in the environment.

In detail, for oxygen levels above 17%, the range includes:

- Folding filter faces, cup and semi-mask, each with dedicated filters to ensure maximum safety;
- Masks with screw connection EN 148-1 and its filters provide reliable protection and are used in various contexts
- Emergency filter respirators
- Turbo respirators for effective respiratory protection.

For oxygen levels below 17%, the range includes:

- Compressed air and sandblasting respirators
- Fresh Air (Duct) respirators
- Escape Breathing Machines
- Fire Fighting Breathing Machines
- Industrial Breathing Machines
- RL-RC Trolleys.



SPASCIANI concludes its offer with the marketing of a series of PPE (Personal Protective Equipment) complementary to breathing. This part, although not central to the company, aims to provide a service to customers who can solve specific problems related to safety and security with the contact of one specialist.

Finally, SPASCIANI also provides laboratory and customisation services, along with training programmes for the correct use of PPE. Finally, solutions such as ARAC 2.5 and CASCADE complement the company's wide range of protective devices.

Today, our business objectives are to consolidate and strengthen the leadership position in offering innovative and high quality devices, ensuring the safety of workers in various industrial sectors through innovation, sustainability and product excellence.

SPASCIANI operates in the Italian market of respiratory protection devices, occupying a leading position. This sector is characterised by increasing awareness of the importance of safety at work, strict regulatory regulations and an increasing demand for high-quality personal protective equipment (PPE).

The global respiratory protection market has already seen significant growth in 2022, with market size up to \$61,497.89 million (The Insight Partners, 2022), despite the fact that this period has characterized the entire domestic and foreign production sector by continuous fluctuations in raw materials and energy costs.

This growth has been fuelled by the continuing awareness of occupational safety directives, the increasing attention of employers to comply with existing regulations and an increased awareness of the risks to which workers are exposed.

The IPR market is set to continue its economic growth in the future, with a focus on the impacts it generates in terms of environmental and social sustainability. According to the latest estimates, the market is expected to reach USD 93,695.47 million in 2030 with a CAGR of 6.4% from 2022 to 2030 (The Insight Partners, 2022).

The main market trends include:

- Increasing adoption of advanced technologies in respiratory protection devices, including intelligent sensors and remote monitoring systems. Increased interest in sustainability, with growing demand for eco-sustainable IPR and recyclable materials
- Greater penetration into non-traditional sectors such as health, food and pharmaceuticals, as well as traditional industrial sectors.

In the market context considered, it is highlighted that SPASCIANI is at the forefront in its adherence to the drafting of sustainability reporting according to the new European Directive EU2464 and Delegated Regulation 2772/2023, a value-driven and voluntary decision to develop its own medium- to long-term sustainability positioning, which aligns with the health care mission with high quality and innovative products, and which also places it in an absolute competitive position vis-à-vis multinational players.

ESRS 1 AND 2

The Corporate Sustainability Reporting Directive (CSRD) EU 2022/2464 defines principles and perimeters of environmental, social and governance sustainability reporting that is prepared in accordance with the European Sustainability Reporting Standard (ESRS).

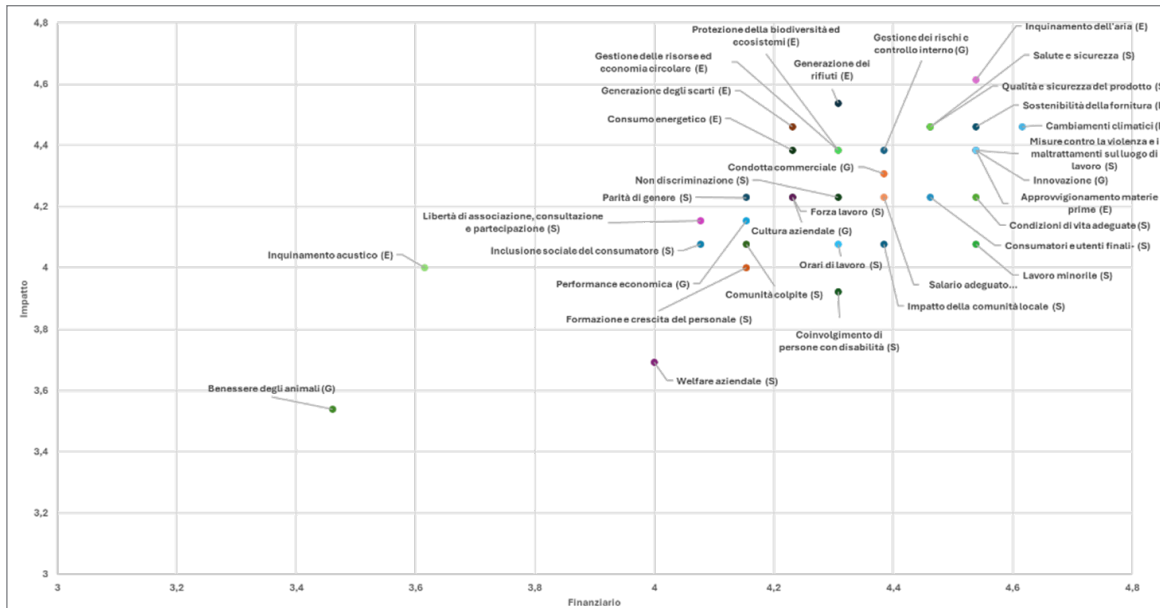
The new rules aim to ensure access to information that investors and stakeholders need to assess the impact of corporate strategies and actions on people and the environment, as well as the financial risks and opportunities related to climate change and all the various sustainability issues.

ESRS 1 sets out the “general requirements” for sustainability reporting and the key qualitative characteristics of sustainability information, ESRS 2 defines the reporting requirements in terms of Governance, Business Model Strategy, Process of defining impacts, risks and opportunities, Identification of sustainability targets and metrics.

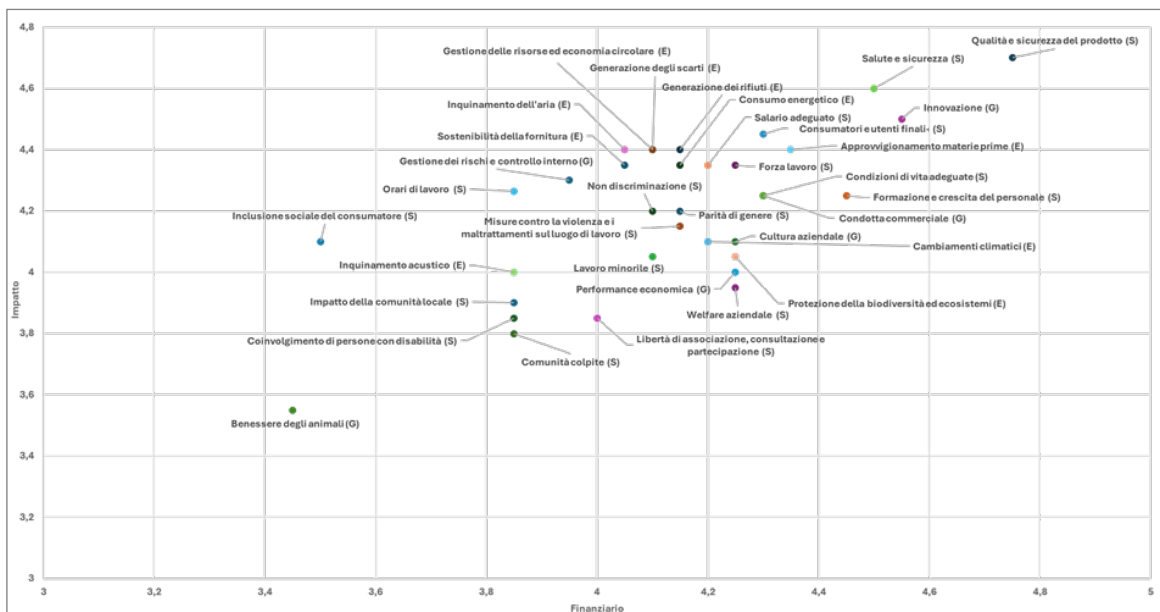
The ESRS 1 and 2 define a set of environmental (ESRS E1, ESRS E2, ESRS E3, ESRS E4, ESRS E5), social (ESRS S1, ESRS S2, ESRS S3, ESRS S4) and governance (ESRS G1) sustainability themes to which a list of sustainability issues, or sub-themes of environmental, social and governance that the company is required to explore through the assessment of the relevance of impact and financial relevance (double relevance) refers.

DOUBLE MATERIALITY MATRIX

The Sustainability Committee has dealt with the process of assessing relevance and materiality, which took into account the business analysis and the risks of the business processes (for which we refer to the paragraph on “Due Diligence”) that SPASCIANI defines every year on the basis of its own DVR and in accordance with the standard UNI EN ISO 9001:2015. The materiality analyses are therefore given below, with the indication of “impact” and “financial” indices.



Double Materiality Matrix of external Stakeholders



Double Materiality Matrix of internal Stakeholders



OUR SUSTAINABILITY STRATEGY

In formulating the sustainability strategy, the Sustainability Committee took as its starting point the findings of the business and context analysis, as well as the qualitative risk analysis (due diligence). In particular, important elements emerge on which the company can build for the formulation of such a strategy.

First, it is important to focus on those aspects of materiality that stakeholders have identified as significant, namely

- Product quality and safety, As a guarantee of safe and high quality products that meet regulatory requirements and customer expectations
- Health and safety, as the promotion of safe and healthy working environments to prevent occupational accidents and diseases
- Innovation, understood as the encouragement of innovation to remain competitive and respond to market challenges.

Since always SPASCIANI has been attentive to these three aspects, which represent in some way also the strengths on which its strategic positioning is based.

For SPASCIANI, the main incentives to its business are the attention to market developments and the concern with the increasingly frequent and complex demands of the sector in which it operates.

For example, competitors are increasingly moving towards sustainability and regulations in this area are becoming more stringent.

This is why product and process innovation continues unabated and the raising of the quality of the products and services offered is the way through which a business culture is conveyed to the market, paying attention to details such as the relationship with suppliers, control of the processes, attention to safety and quality.

All this at the best possible economic conditions in terms of lower cost and efficiency of services for each client or treatment center on the Italian and European market.

The way of SPASCIANI's participation in public tenders remains strategic. The Sustainability Committee also highlights the company's focus on social issues such as adequate living conditions, adequate wages, training and staff growth.

In the area of governance, besides innovation, the other main point of attention concerns risk management and internal control. In the due diligence analysis, however, it is highlighted that the relevance of possible risks in the conduct of business both with respect to the areas of Environment, Social and Governance and with regard to business processes is almost qualitative and not related to financial risk.

ESRS E

SPASCIANI pursues processes and accessions to certifications and Italian legislation for the protection of the environment. It has a policy of mitigation of energy impacts, the ISO 9001:2015 certification. It also activated a process to monitor energy and gas consumption through the annual energy diagnosis. The Sustainability Committee highlights risks related to energy consumption and environmental impact of the product throughout its life cycle. In the context of business analysis, SPASCIANI promotes a qualitative analysis of environmental aspects related to activities, products and services.

ENERGY CONSUMPTION	01/01/2023 31/12/2023	01/01/2022 31/12/2022	VAR. %
NON-RENEWABLE SOURCES			
Consumption by natural gas (MWh)	82,53	158,47	-47,92%
Consumption of electricity, heat, steam and cooling purchased from non-renewable sources (MWh)	78,59	108,82	-27,78%
Total fossil energy consumption (MWh)	161,12	267,29	-39,72%
% of total energy consumption from fossil fuels	57,93	76,04	-23,82%
RENEWABLE SOURCES			
Electricity, heat, steam and cooling purchased from renewable sources (MWh)	58,81	81,42	-27,77%
Renewable energy not self-produced as fuel (MWh)	58,19	2,81	1.970,82%
Total renewable energy consumption (MWh)	117,00	84,23	38,91%
% renewable energy consumption on total energy	42,07	23,96	75,58%
Total energy consumption (MWh)	278,12	351,52	-20,88%

In the due diligence as well as in the energy analysis, the company defines qualitatively the risks related to the environment as well as the material opportunities to be implemented to mitigate climate impacts.



ESRS S

SPASCIANI outlines part of its policies regarding its workforce with reference to the specific risks per job, as also reported in the company's DVR. The purpose of the DVR is to regulate the management of risks also associated with human resources according to the qualification required.

SPASCIANI has also developed a human resources management practice including the fulfilment of applicable legal and contractual requirements. The procedure also defines the responsibilities and arrangements for providing training and information to employees within the company organisation.

The company has 43 employees in the last 2 years taken into account for the analysis, with a gender distribution of about 40% women and 60% men and a uniform salary between the two.

SPASCIANI employs staff with solid experience thanks to the working years especially in the specialist area, although the average age is for all areas less than 50 years. In relation to the types of contract for employees, almost all 2023 contracts are for an indefinite period.

Often workers who are classified as being administered are then hired on fixed or indefinite contracts in the firm. The company has a good level of education among its employees and collaborators, confirmed by the degrees obtained. Over 25% of employees have a degree. In addition, over 39% have a diploma.

The coverage of collective bargaining and social dialogue is present. The Collective Bargaining and Social Dialogue Assembly meets every six months or close to specific events or deadlines.

In the field of social protection, the employment relationship with SPASCIANI employees follows the provisions of the sector's CCNL and the labour law in Italy which provide for compulsory membership of social security institutions such as INPS, INAIL.

In addition, SPASCIANI sets aside the TFR for each employee, as provided by current regulations, which in specific cases provided by law may be required before the termination of employment, for social protection purposes.

Finally, the protection of maternity and paternity compulsory and optional are regulated by several existing legislative decrees, not least the Budget Law 2024 which further defined parental leave up to the age of 12 years for children, to which SPASCIANI complies with being a legal obligation. SPASCIANI is in compliance with the legislation.

In 2023, the number of disabled employees is four. There are two agreements with the COOPERATIVA SOCIALE GPII SOC.COOP.ONLUS regarding the assembly of third parties and with the COOPERPRINT IMPRESA SOCIETA' COOPERATIVA SOCIALE regarding the printing of manuals and instructions produced.

SPASCIANI has established and maintains an annual training register, also for the year 2023, which indicates:

- The subject of the course
- The participants
- The training institution
- Compulsory or voluntary status
- The planned period and the total number of hours of training

Health and safety at work is a fundamental concern for SPASCIANI. It is evident that in the last three years there have been no accidents and no reports of occupational diseases; no reports of dangerous occurrences have been received

	2021	2022	2023
n° accidents	0	0	0
Days of absence	0	0	0
Hours worked	68.334,50	65.967,25	67.087,25

ESRS G

SPASCIANI undertakes to conduct its business in compliance with international, Community, national, regional, provincial and municipal regulations, rejecting bribery and corruption, scam and fraud, misuse of public resources, the false communication of company data and in general any illegal practice and also making every effort, as far as its competence is concerned, to implement initiatives directed at the fight against crime, money laundering and terrorism.

To this end, it is worth noting that the company has obtained a positive legality rating from the Competition and Market Authority (AGCM) based on an ethical business conduct audit (two years), which allows the company to participate in public tenders.

For a more detailed look at the ESRS E1, ESRS S1 and ESRS G1 standards of SPASCIANI and to read the report in extended form please send a request for the document at info@spasciani.it



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Spasciani SpA thanks all its collaborators for having contributed, through the sharing of data and information, to the drafting of this Report.

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spasciani
YOUR SAFETY MAKER

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