



SUSTAINABILITY REPORT

2023

ABSTRACT

This document provides a summary of Fondital's Sustainability Report, prepared according to the international standards of the Global Reporting Initiative (GRI), and verified by an independent third party.

The information and data refer to all the facilities located within Italian territory for the period 01/01/2023 - 31/12/2023.

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LETTER TO THE STAKEHOLDERS

Dear Stakeholders,

In 2023, the global economy weakened due to high inflation and monetary tightening. Global manufacturing activity slowed down following the post-Covid rebound, influenced by the weakening of European industry, particularly German industry, and difficulties in investment demand due to the credit crunch. There was a downturn in the heating sector, caused by the blocking of government incentives for building and energy, and the global production slowdown. Nevertheless, during the second half of 2023, commodity prices and energy costs remained stable compared to the first half.

Fondital's strategy continues to be based on product diversification to respond to the customers' various needs with quality and professionalism.

The radiator product development projects continue in partnership with strategic customers in order to meet their specific requirements and improve their loyalty.

The increasing focus on environmental aspects and the new Ecodesign regulations have highlighted the need to renew the products to improve their sustainability and efficiency. Fondital has embraced this renewal proposal: today, the entire range of condensing boilers is H₂ Ready certified, and compatible with up to 20% hydrogen content. The company has also expanded its product range, introducing heating and domestic hot water systems powered by renewable energy sources. The development of projects for the in-house production of heat pumps continues with the improvement of the Research & Development Laboratory and the acquisition of new skills through training and consultancy.

Collaborations continue with major players in the automotive industry, both with car manufacturers (TIER-1) and suppliers of car manufacturers (TIER-2), to acquire new orders. In 2023, investments were completed to upgrade the industrial complex at Plant C3, where the mechanical machining of structural parts for the automotive department and subsequent post-casting treatments are carried out. The ability to offer a complete production and processing cycle, from raw material to post-casting treatments, positions Fondital as an important player in the automotive market.

The Special Alloys plant is dedicated to the production of primary aluminium alloys from recycled material, with a low carbon footprint. These new alloys fully meet the needs of the automotive sector, which increasingly requires recycled aluminium components for the production of structural parts of cars, ensuring low CO₂ emissions.

In 2023, Fondital invested nearly € 25 million in all of its production departments, acquiring new plants with the best available technologies. The company's renewable energy production capacity was also significantly expanded, with the installation of new photovoltaic systems on all of the plants' available roof areas, reaching a total installed capacity of about 7 MWp.

In 2023, Fondital renewed all of its certifications in the areas of quality, environment, energy and safety. The 231 organisational model continued with periodic audits, without any major problems. The C2 and Vestone plants obtained ISO 45001 certification, thus extending it to all production sites, while TISAX certification for information security was acquired to work with major automotive customers. The Automotive and Special Alloys divisions obtained ASI Performance Standard certification, which establishes environmental, social and governance criteria to address sustainability in the aluminium value chain.

Human resource management initiatives continued, with a focus on training for the development of technical, professional and digital skills. Fondital has always been committed to supporting its employees and the local community, dedicating resources to their growth and well-being. Corporate welfare actions and social inclusion projects were promoted in 2023.

The expansion of the heat pump range and hybrid systems will continue during the coming year. A range of fancoils will also be added to the catalogue to complete the range of residential air-conditioning products. In the Automotive Division, the orders already acquired will generate an increase in turnover of 30% with respect to 2023.

Since 2019, Fondital has been on a structured sustainability pathway, culminating last year with the voluntary certification of its report. In recent years, major European companies have been called upon to conduct their sustainability reporting in a more transparent and systematic manner. Fondital is developing a sustainability plan and updating its report to prepare for the European Corporate Sustainability Reporting Directive (CSRD) and reporting standards (ESRS), to which it will be subject as of 2026. This process led to the review and updating of the materiality profile, strategically mapping the impacts, risks and opportunities, and comparing the material impacts with the current material topics. The 2023 sustainability report represents the beginning of the transition from the GRI Standards 2021 to the new European guidelines.

The Chairman

Orlando Niboli

The Chief Executives

Marilena Niboli

Valeria Niboli

Roberta Niboli

Franco Franzoni

Michele Bortolami

1

SILMAR GROUP

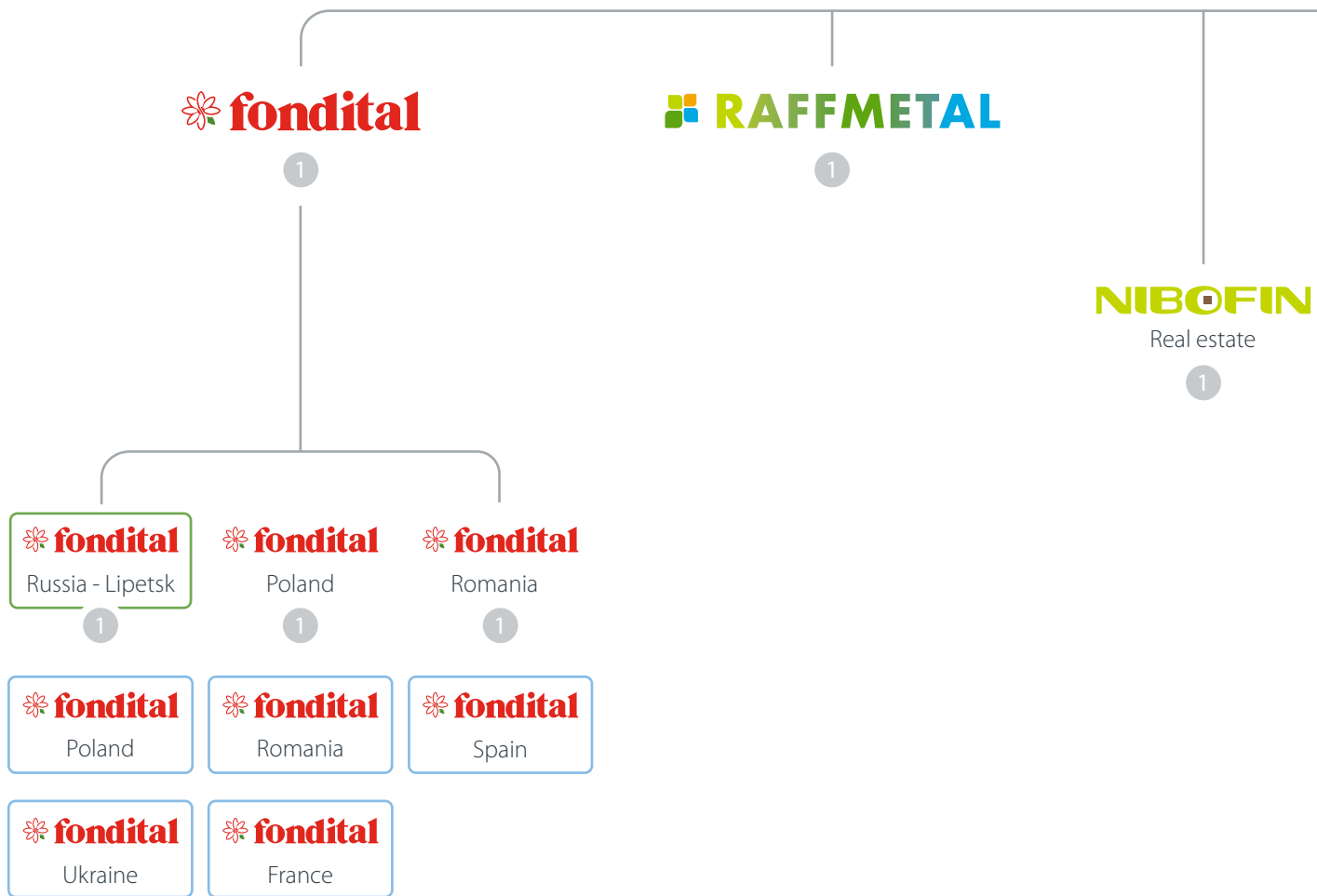


As an integrated group of leading companies in the fields of heating, recycled aluminium alloys, plumbing, plastics recycling, and passive fire protection, Silmar Group operates 30 production sites on the global market.



Aggregated data of the Group's production companies, excluding real estate companies.

1.1 ORGANISATIONAL CHART



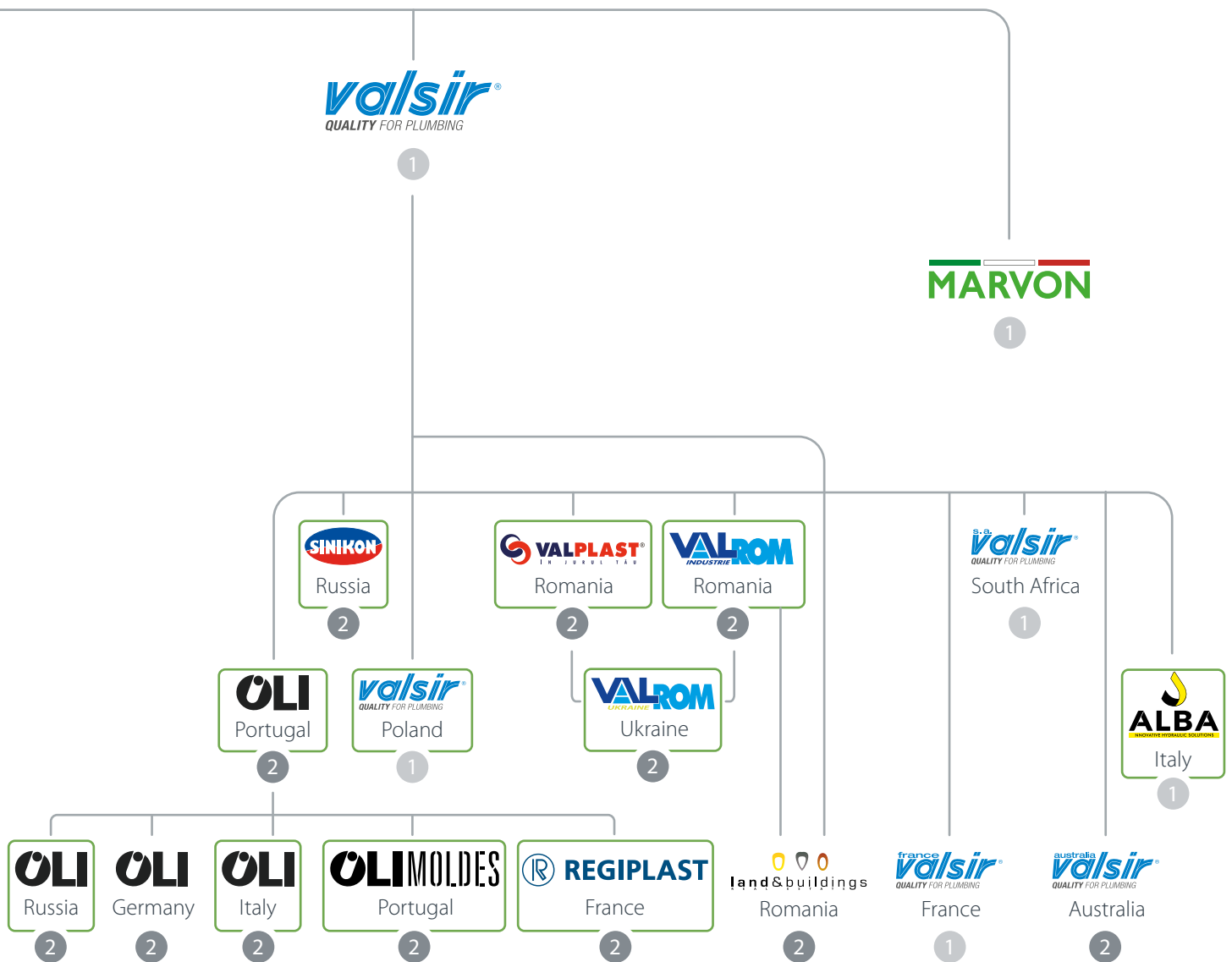
1 Subsidiary company

2 Associated company

Production companies

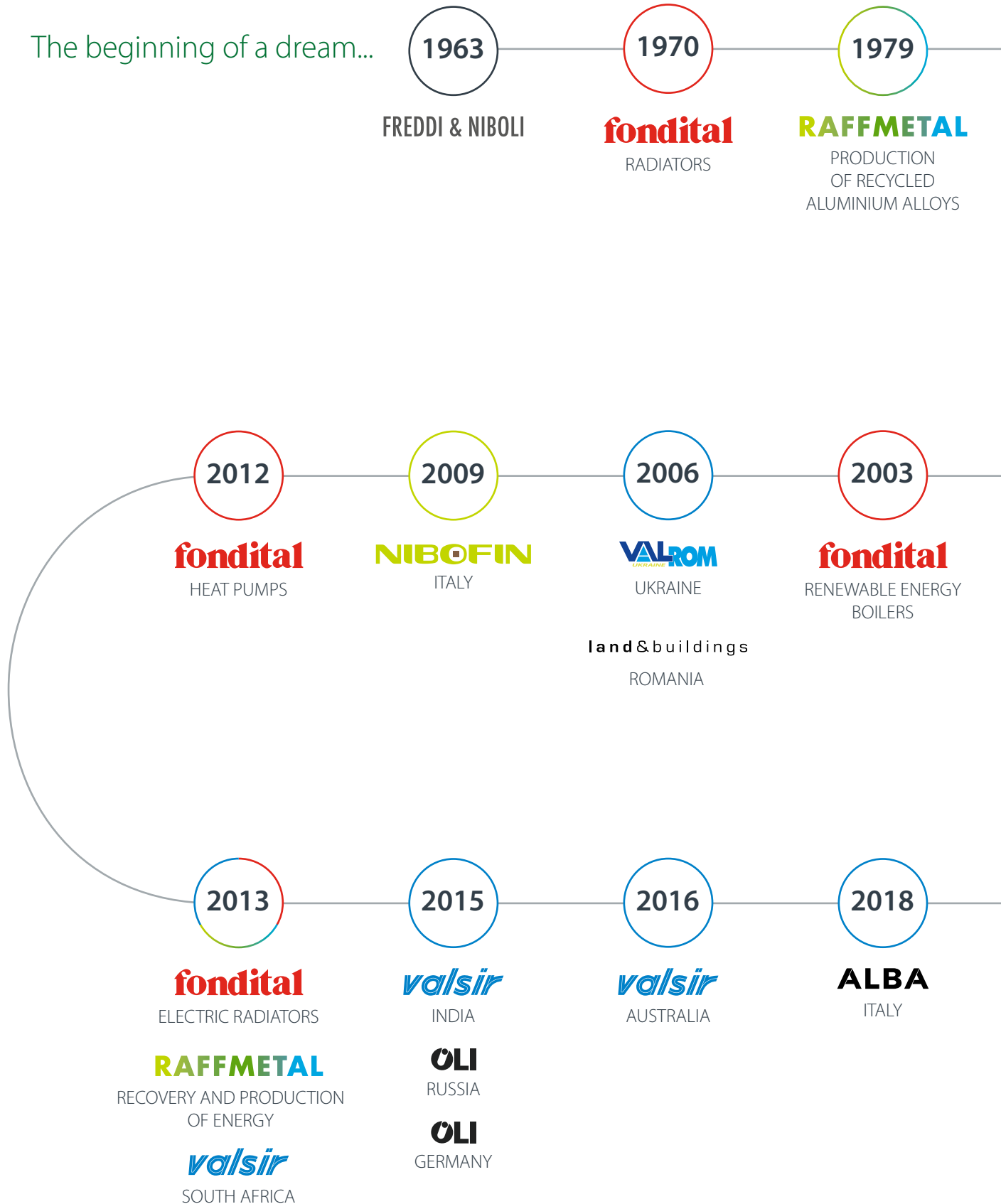
Sales and service network

GROUP



1.2 EVOLUTION

The beginning of a dream...



1987

valsir

PLUMBING
APPLICATIONS

1989

RAFFMETAL

SALT RESIDUE
RECOVERY PLANT

1992

NOVA FLORIDA

RADIATORS

1993

OLI

BATHROOM
SOLUTIONS

OLI

ITALY

OLIMOLDES

PORTUGAL

2002

MARVON

ELECTROPLATING

1999

valsir

POLAND

1996

VALROM

ROMANIA

1995

RAFFMETAL

SHREDDING AND
SORTING OF SCRAP
MATERIALS

VALPLAST

ROMANIA

valsir

FRANCE

SINIKON

RUSSIA

2019

fondital

RUSSIA

2020

fondital

AUTOMOTIVE
STRUCTURAL PARTS

2022

fondital

AUTOMOTIVE
ELECTRIC CARS

2024

fondital

FANCOILS

RAFFMETAL

SPECIAL ALLOYS

→ looking to
the future

2

FONDITAL



Fondital is the **world's leading manufacturer of aluminium radiators, an international leader in heating systems and a manufacturer of structural aluminium castings for the Automotive sector.**

This has been possible thanks to the pursuit of sustainable innovation through Research & Development, the renewal of the production process based on the **analysis** of the products, the constant **enhancement** and **training** of the human resources, and the attention dedicated to the employees **well-being**.



2.1 FACILITIES

Plant C1

VOBARNO (BS) Production site for die-cast radiators, structural castings for Automotive and Special Alloys sectors.



Plant V1

VESTONE (BS) Production site for extruded radiators.



Plant C2

VOBARNO (BS) Administrative, commercial and technical offices. Production site for boilers, electric radiators, heat pumps and fancoils.



Plant V2

VESTONE (BS) Mechanical production site for mould construction.



Plant C3

VOBARNO (BS) Treatment and final machining facility for Automotive structural castings.



Lipetsk Plant

RUSSIA Production site for die-cast radiators and boilers.



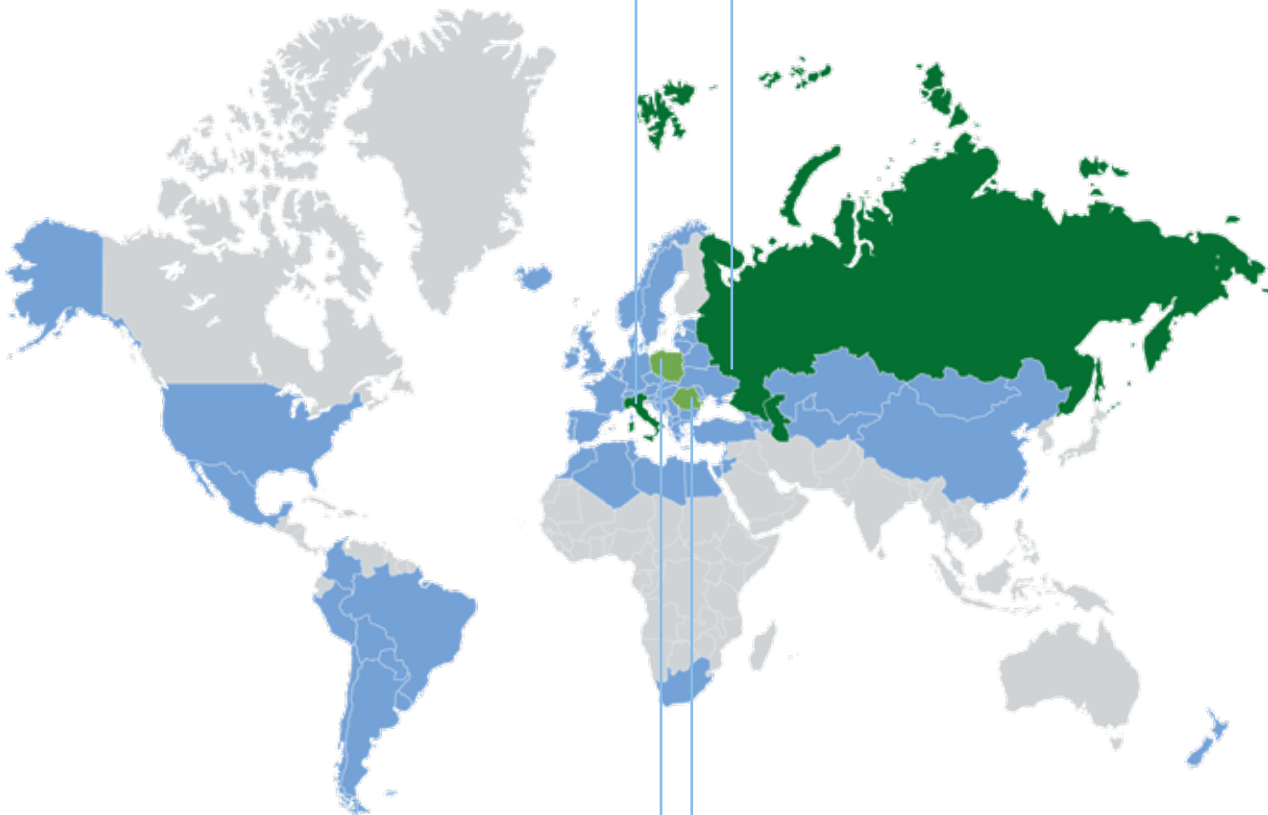
2.2 WORLDWIDE PRESENCE



PRODUCTION SITES

Vobarno
ITALY

Lipetsk
RUSSIA



Warsaw
POLAND

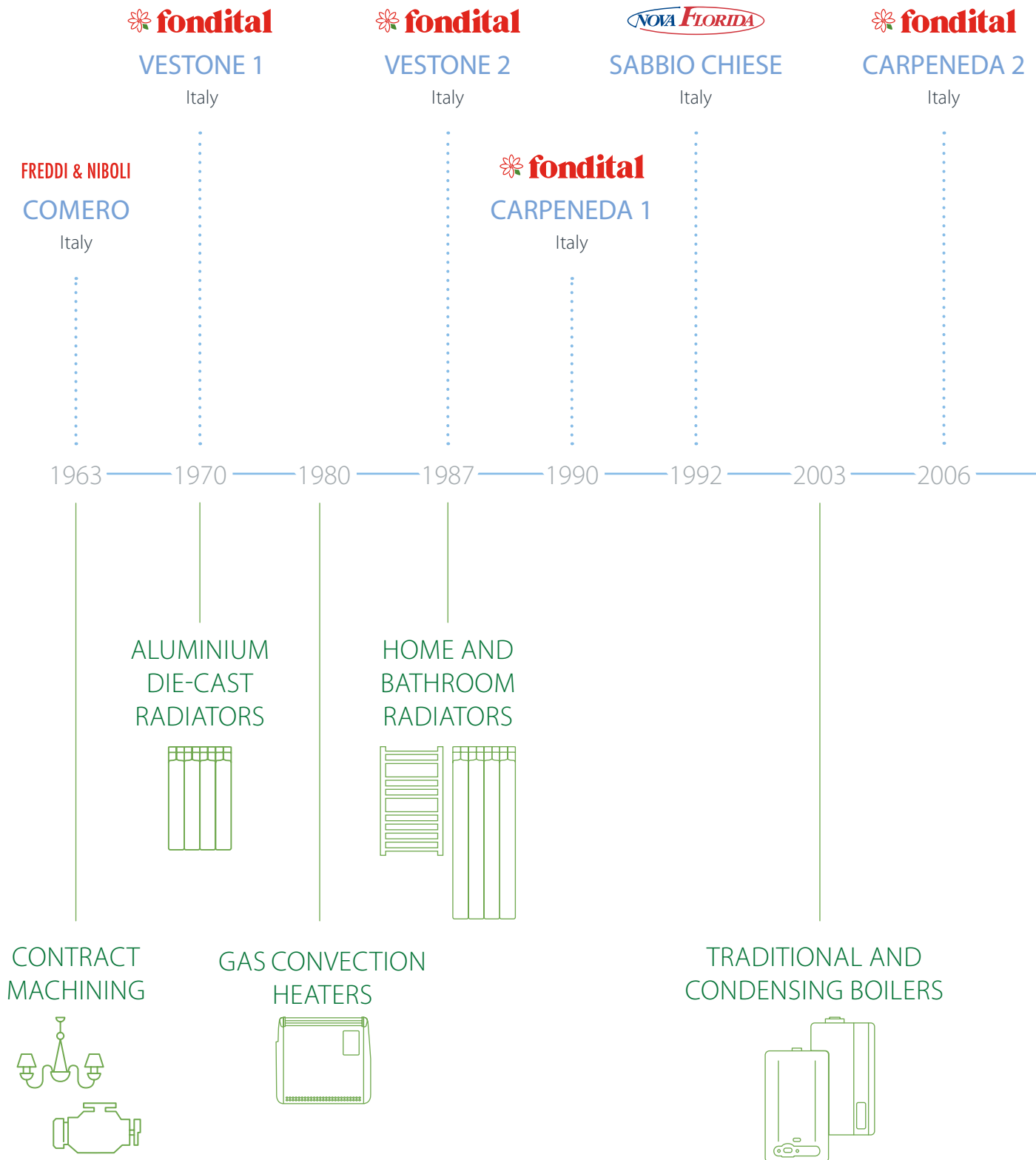
Bucharest
ROMANIA



SALES OFFICES

● Markets with production facilities ● Markets with commercial facilities ● Active markets

2.3 EVOLUTION



fondital
CARPENEDA 1
EXPANSION
Italy

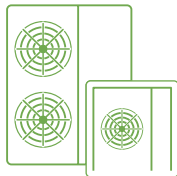
fondital
LIPETSK
Russia

fondital
CARPENEDA 3
Italy

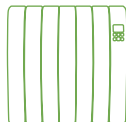
fondital
CARPENEDA 3
EXPANSION
Italy

2011 — 2012 — 2013 — 2019 — 2020 — 2022 — 2024 →

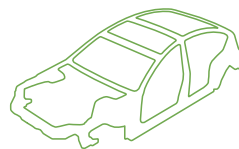
HEAT
PUMPS



ELECTRIC
RADIATORS



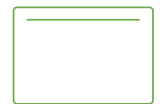
AUTOMOTIVE
STRUCTURAL
COMPONENTS



ELECTRIC VEHICLE
COMPONENTS



FANCOILS



2.4

MISSION, VISION AND VALUES



Our mission is to develop heating systems and structural castings for the automotive sector, using the most advanced industrial technologies to ensure sustainable products of the highest quality. We are committed to operating with maximum energy efficiency and promoting sound processes for environmental protection.

We aim not only to be a centre of expertise, but also a driver of development for our region, actively contributing to its growth and well-being.

Our ambition is to be a company at the forefront of creating efficient and sustainable products, building strong and long-lasting relationships with our stakeholders, and enhancing our local roots to become a global benchmark.



2.5

CERTIFICATIONS OF RESPONSIBILITY AND ETHICS

For Fondital, obtaining and maintaining internationally recognised certifications represents a strategic investment and a concrete commitment to excellence. For our stakeholders, these certifications are synonymous with quality, awareness, safety, prevention and responsibility. Moreover, they are a distinctive selection and preference criterion for customers and suppliers, attesting to the company's reliability and seriousness.

For Fondital, the certifications obtained for its management and organisational systems, and its certificates of responsibility and ethics, are an undisputed added value, strengthening its reputation.

As a confirmation of this commitment, in 2023 the company was awarded the Silver rating by EcoVadis, an international platform that assesses the sustainability and social responsibility practices of companies. This assessment highlights Fondital's commitment to key areas, such as environmental management, human rights, business ethics and sustainable sourcing, reflecting its willingness to pursue a transparent and responsible business model.



CODE OF ETHICS



ENERGY



RESPONSIBLE MANAGEMENT OF ALUMINIUM



QUALITY



ENVIRONMENT



SAFETY



INFORMATION SECURITY



SHIPPING



AUTOMOTIVE



231 ORGANISATIONAL MODEL



SUSTAINABILITY ASSESSMENT



2.6

SUSTAINABILITY MANAGEMENT

In recent years, European companies have been pressured to carry out their sustainability reporting in a more transparent and structured manner. **Fondital, which will be subject to the obligations of the CSRD (Corporate Sustainability Reporting Directive) as of 2026, has set up an I.R.O. Committee to manage its "dual materiality" analysis, or rather the analysis of the environmental, social and governance impacts produced by the company, and the risks to which it is exposed.** Made up of senior figures, the I.R.O. Committee maps and evaluates these impacts to identify their relevance and support the company's sustainability strategy. The impacts were evaluated considering factors such as magnitude, extent, and mitigation possibilities, ranking them on a scale of 1 to 5.

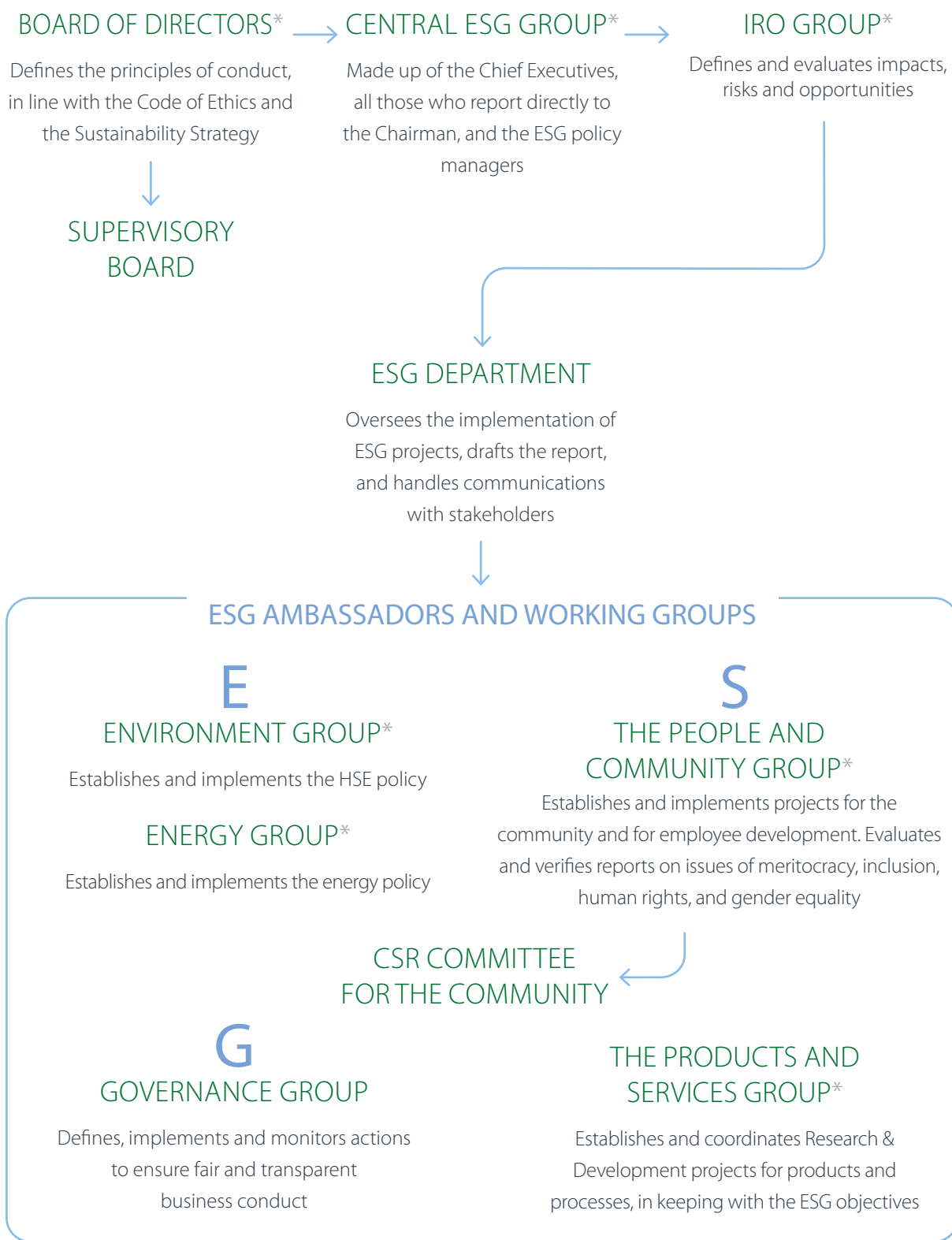
Fondital subsequently engaged a selection of key stakeholders, updating the material topics identified internally through interviews and digital tools, in line with the ESG principles and the European Green Deal. **78 impacts were identified (28 positive and 50 negative), comprising environmental, social and governance aspects, with a ranking of the most relevant in terms of targeted strategic management.** This process has enabled the company to broaden its perspective, identifying strengths and areas for improvement, and to consider impacts that are not immediately visible, but nevertheless significant to its operations, thus adopting a proactive and strategic approach to sustainability management.

Subsequently, **the Committee validated the results with the stakeholders, updating the list with new relevant impacts.**

This due diligence process allows Fondital to ensure transparency, stakeholder engagement and continuity in the Sustainability Report, strengthening the integration between the sustainability plan and the business plan.

The company has thus enhanced the effectiveness of its sustainability actions, creating a direct connection with its growth and innovation strategy.





*Teams overseen by at least one management figure.

3

PRODUCTS



The product represents the core element of Fondital's innovation strategy, oriented towards the development of solutions aimed at **saving energy** and **reducing CO₂ emissions**, without compromising on **productivity, durability**, the use of **recycled materials**, and the **recyclability of the finished product**.

The company constantly invests in processes and technologies aimed at fostering sustainable growth. The Research & Development departments consist of skilled engineers and product and process technicians who work in advanced in-house laboratories, ensuring innovation and uncompromising quality.

Fondital pays special attention to each stage of the production chain, from design to product realisation, with a particular focus on its technical support services. Thanks to a well-developed and qualified service network, the company is able to promptly respond to consumer needs, offering advice, training and specialised courses for optimal product management.

This focus on service not only ensures the quality and reliability of the products, but also reaffirms Fondital's commitment to providing complete, tailor-made solutions, reinforcing trust and ties with the market.



Hydronic radiators



Electric radiators



Boilers



Fancoils



Heat pumps



Hybrid systems



Water heaters



Thermal solar systems



Automotive structural component

3.1

RADIATORS

Fondital entered the radiator market in 1970 with the launch of its first product, which was immediately successful thanks to the **innovative vision of Silvestro Niboli, who realised the potential of aluminium to replace cast iron and other heavy materials**. Today, aluminium is a pillar of circular sustainability, used in major industries like the construction and automotive sectors.

Since then, Fondital has established itself as a leader in the industry, remaining faithful to the principle of quality, and investing in innovation. **The company strictly controls every step of the production process**, ensuring durability, energy efficiency and a significant reduction in CO₂ emissions.

One distinctive aspect of Fondital's production is the use of recycled and recyclable materials. The **aluminium used for die-cast radiator production is 100% recycled**, and is sourced from Raffmetal, a subsidiary of Fondital and Europe's leading producer of recycled aluminium alloys. The aluminium is supplied in a liquid state, which reduces the carbon footprint, improves smelter efficiency, and lowers costs.

The liquid aluminium utilised is EPD (Environmental Product Declaration) certified, with a carbon footprint of just 1.52 kg CO₂eq/kg of aluminium (cradle-to-gate).



Over the years, the knowledge gained through Research & Development has allowed Fondital to significantly reduce the amount of aluminium contained in its radiators without altering their thermal performance, achieving an average reduction of 20-30%, thanks to patented innovations, including:



ALETERNUM®
ANTICORROSION
TREATMENT



THERMOELECTRICALLY
WELDED CAP



CHECKED REAR AND
LATERAL FINS

The attention to detail also extends to design and customisation. **Fondital has installed an in-house plant dedicated to colouring the radiators**, reducing production time and transport emissions, while offering customers a wide range of colours and models to meet all aesthetic and functional requirements.

In the radiator segment, Fondital has expanded its product range to include **advanced electric heating solutions**, taking an innovative approach by combining technical design with the expertise of its business partners.



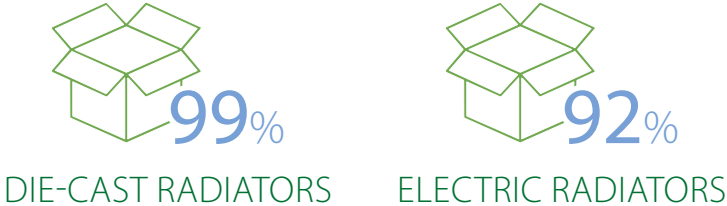
These radiators incorporate patented innovations for **optimal power management**, and include **fluid and dry models** designed for efficiency and sustainability.

The company is also introducing digital functions, such as the **DOMUS ONE** application, which allows the devices to be controlled remotely and for daily, monthly and yearly energy consumption to be monitored, thus improving the user experience while ensuring sustainable energy management.

Before being placed on the market, all Fondital radiators undergo rigorous testing, inspection and certification, in accordance with the European standards, also using third-party bodies to ensure the highest quality.

To complete the production process, **the company has improved the packaging of its products**: in 2019, stronger cartons were introduced for the die-cast radiators in order to improve protection, optimise logistics and reduce the number of returns. For the electric models, Fondital is progressively replacing polystyrene with more sustainable materials, such as cardboard, in line with its commitment to greater environmental sustainability.

Sustainable internal cardboard protections



3.2 BOILERS

In order to meet the growing market demand for more sustainable energy solutions, Fondital has embarked on a pathway of expanding and renewing its product portfolio, investing in new energy carriers.

A major push in this direction was given by the new Ecodesign regulation, which emphasises the need for more efficient and sustainable boilers, thus increasing the demand for partially hydrogen-fuelled boilers.

In response, **Fondital developed its NEXT range of H₂ Ready certified boilers, which are compatible with fuels having a variable hydrogen content of up to 20%**, with the aim of extending this certification to the rest of the boiler ranges as well.

At the same time, technological innovation led to the **introduction of a consumption monitoring system in the new NEXT range, allowing users to have more precise control over their energy consumption**. The aim is to progressively extend this functionality to all the models, thus improving awareness of energy consumption while enhancing the user experience.



The commitment to sustainability does not stop at energy efficiency, but also extends to the materials utilised. In cooperation with Valsir, a Silmar Group subsidiary, Fondital has **developed recycled plastic components, as demonstrated by the NEXT range, which includes elements made from 92% recycled materials**.

To complete its range of products and services, **Fondital proposes a series of integrated pre-sales and after-sales services to guarantee comprehensive and targeted support for installers and end users**. During the pre-sales phase, the sales technicians, internal sales network and customer support representatives work together to help customers choose the most suitable products, providing personalised and professional advice. The after-sales service, in parallel, is managed by a dedicated in-house department and an extensive network of Technical Service Centres (TSCs), which guarantee qualified support for installation, use and maintenance.

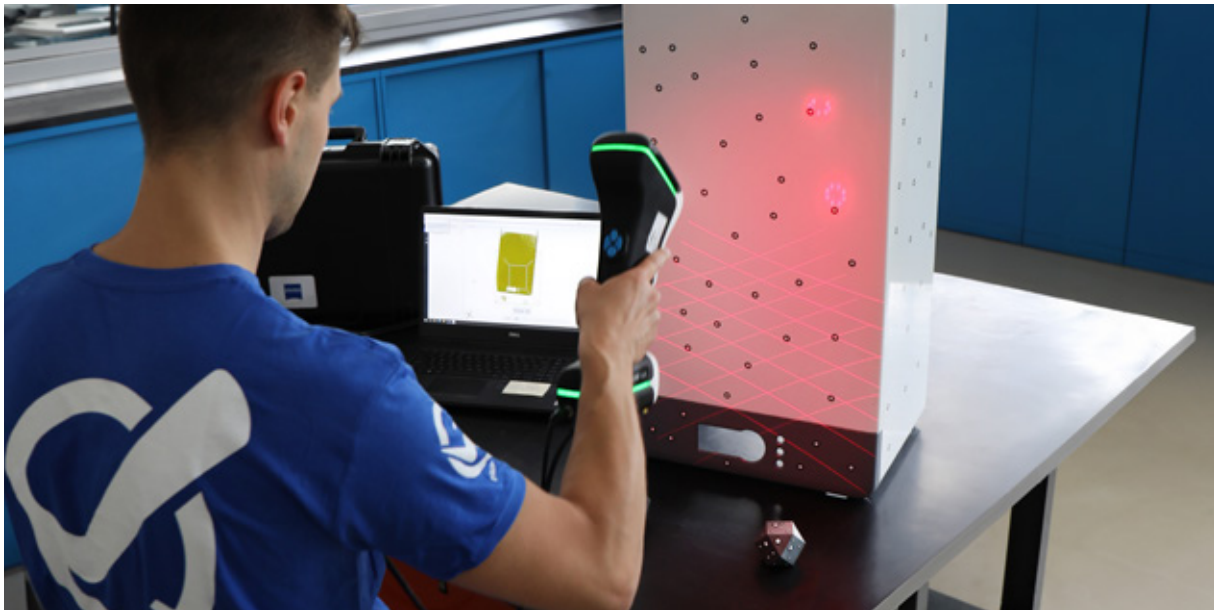
This integrated approach allows for strategic partnerships based on sharing and a strong customer focus, going well beyond the traditional customer/supplier relationship.

The focus on quality and research is a fundamental pillar for Fondital, which **constantly invests in Research & Development to ensure efficiency and high standards throughout production.**

Quality controls are conducted at every stage of the production process using technologically advanced tools, including the Zeiss T-Scan Hawk laser scanner for 3D scanning, which is used for detailed component analysis.

In addition, spot checks on finished products stored in the warehouse ensure consistent quality over time, using a certified laboratory ramp.

Fondital also attaches great importance to staff training. Each year, 20 hours of specific training are organised for operators and new recruits, supplemented by courses for all employees. This commitment guarantees up-to-date expertise and a quality-oriented approach at all times.



To enhance the user experience, Fondital has introduced the Spot intelligent chronothermostat, which can be used via smartphone or web browser. Compatible with existing installations and Fondital boilers, with the exception of high-power modules, this device allows for the monitoring of plant operation and access to technical support services via the cloud, offering greater convenience and remote control.

Finally, the company continues to work on making its production more sustainable. Current initiatives include the **gradual replacement of polystyrene packaging with cardboard materials,** a concrete step towards greater environmental responsibility.



SUSTAINABLE PACKAGING IN CARDBOARD

With an eye on innovation, Fondital is developing a **range of adaptive gas boilers,** designed to better manage gas variability and optimise costs throughout the supply chain.

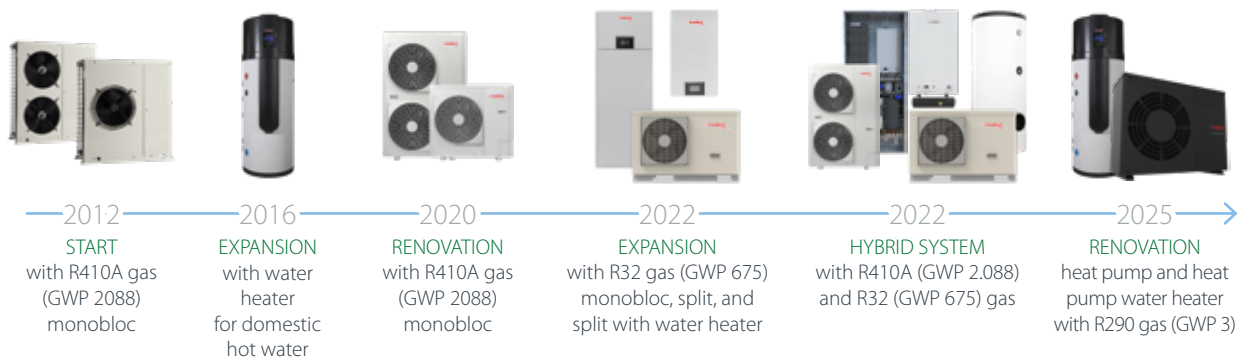
3.3

HEAT PUMPS, HYBRID SYSTEMS AND FANCOILS





The decarbonisation of heating, a central priority of the EU's climate agenda, is a major driver of Fondital's innovation and efficiency strategy, with an increasingly broad and diversified range of products.

Thanks to more than a decade of investment, **the company offers integrated and sustainable solutions for domestic heating needs, including heat pumps and hybrid systems.**

The evolution of heat pump



Since 2012, **Fondital has reduced the environmental impact of its heat pumps by introducing low GWP (Global Warming Potential) refrigerant gases and developing new solutions**, such as a heat pump and a water heater with R290 gas, with a GWP of just 3. The GWP parameter indicates how much a gas contributes to global warming compared to carbon dioxide (CO₂), which has a reference value of 1.

			
R290	RENEWABLE THERMAL ENERGY	DUAL FUNCTION	+25% EFFICIENCY
NATURAL REFRIGERANT GAS			
Used inside the heat pump	Generated quota, equal to +70%*	Heating and cooling	Compared to a fossil fuel generator

*For a COP (coefficient of performance) of approximately 4.

As far as the heat pumps are concerned, Fondital provides an equally structured after-sales service, supported by a wide-reaching network of Technical Service Centres (TSCs) that guarantees qualified installation and maintenance support, while promoting sustainability throughout the entire production chain. **In 2023, 52 new TSC activations for heat pumps were registered, confirming the quality and efficiency of the service provided.**



In 2021, in order to offer a complete and efficient solution, **Fondital expanded its product range to include hybrid systems combining heat pumps and boilers fuelled by different sources**, which are now being upgraded to include H₂ Ready boilers compatible with hydrogen.

Product innovation is supported by a state-of-the-art Research & Development lab, which guarantees efficient and durable products.



Always attentive to meeting the end users' needs in terms of living comfort, Fondital has further expanded its product range to include **fancoils**. These versatile and efficient heating and cooling devices are ideal for low-temperature systems, reducing energy consumption and fostering sustainable living comfort.

Looking to the future, the company is not stopping there: in 2025, the product range will be further enhanced with **new solutions for heat pumps and hybrid systems**, accompanied by a **renewal of the solar thermal line**. These developments will enrich the product range with integrated and technologically advanced solutions, consolidating the company's role as a benchmark and a partner capable of meeting all of its customers' heating and cooling needs.

3.4

AUTOMOTIVE

In 2015, Fondital adopted a strategy to optimise production and safeguard employment in Italy. **Backed by 50 years of experience in die casting, the company has decided to expand into the automotive sector, starting mass production in 2023.**

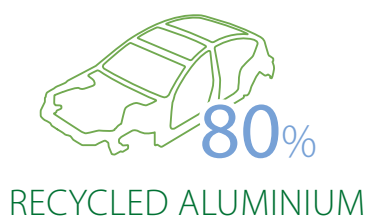
Thanks to its **advanced laboratories**, Fondital works closely with customers to optimise products and processes, using mathematical models and simulations to validate orders and develop moulds. Metallurgical sampling and analysis guarantee **quality** before final production, while the quality laboratories, completed and operational since 2023, perform **checks** on all stages, from die-casting to passivation and cathoporesis surface treatments.



Fondital offers **structural castings and battery casings with recycled aluminium alloys from the SILVAL range**. These alloys provide **performance comparable to primary aluminium alloys made from bauxite**, thus reducing energy consumption by 95% with respect to primary aluminium production, and making a significant contribution to reducing the company's carbon footprint.

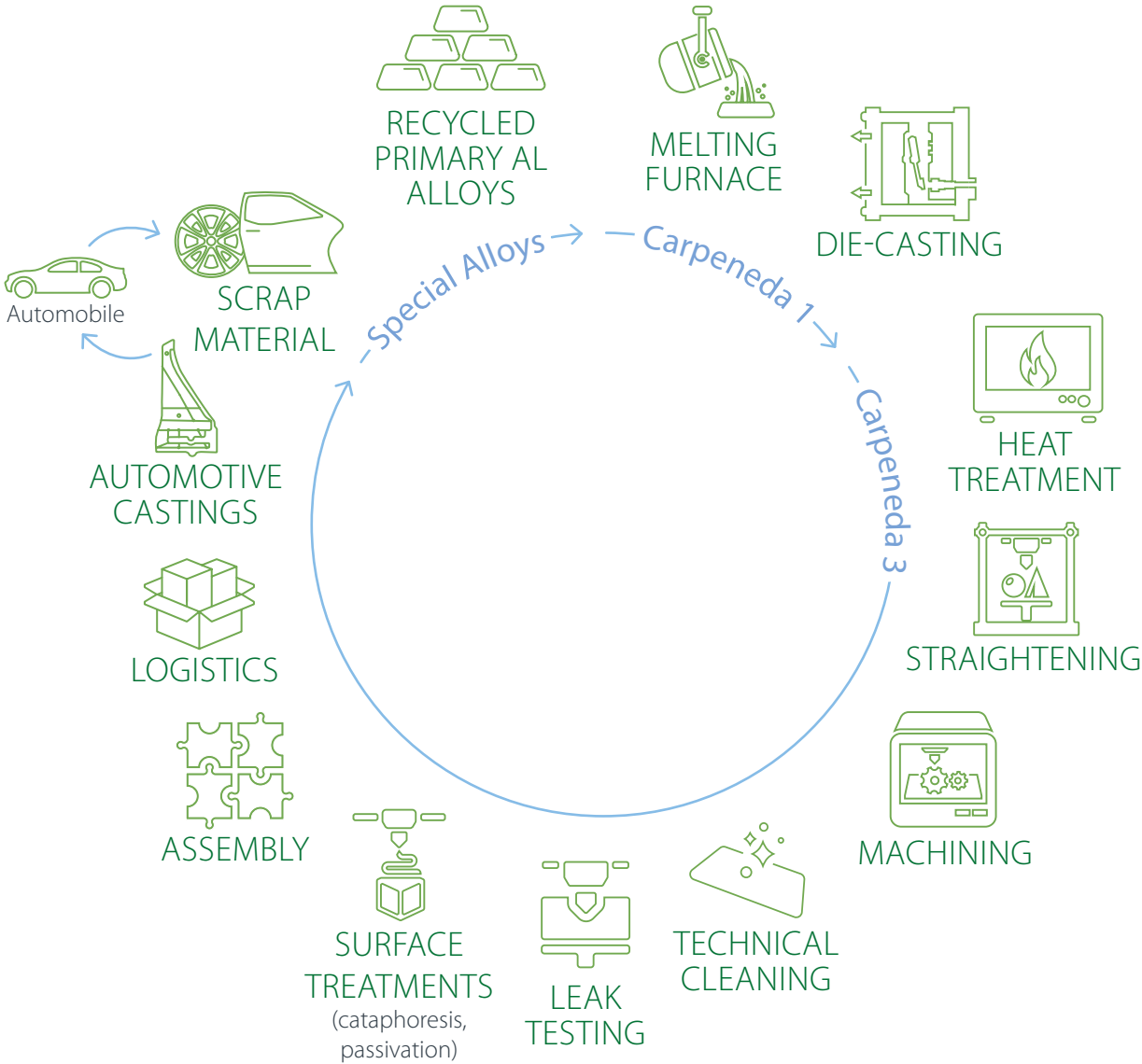
Thanks to the partnership with sister company Raffmetal, the alloys are **customisable** for high performance with low levels of impurities, and the entire SILVAL range is monitored through LCA (Life Cycle Assessment) studies, and certified with the **Environmental Product Declaration (EPD)** from 2022.

In particular, **the EN AB 43500 alloy, used for structural castings, consists of 80% recycled aluminium, reaffirming Fondital's commitment to sustainability and innovation.**



In 2018, Fondital completed its integration and synergy strategy for the Automotive project with the opening of its Special Alloys plant, gaining **complete control of the production chain**.

Recent investments have made Fondital a one-stop supplier, offering more than 10 machining operations, replacing the 3 or more suppliers normally used by car manufacturers.



The recycled aluminium is processed by the sister company Raffmetal at the Odolo plant, and then transported to the Special Alloys plant in Vobarno, where it is transformed into primary alloys for castings and battery casings.

At the C1 Automotive and C3 plants, the castings undergo heat and mechanical treatments to improve their strength and ductility, including straightening processes, CNC machining, washing, leak testing, surface treatments, and assembly of additional components. The finished parts are carefully stored and packed to ensure delivery in perfect condition.

4

ENVIRONMENT



In line with a vision of sustainable growth that respects the environment and current regulations, **Fondital considers environmental protection an absolute priority**. The company actively promotes the **culture of recovery and recycling among its employees**, while contributing to the reduction of air and water pollution.

This commitment is reflected not only in the adoption of advanced purification and abatement technologies, but also in innovative production processes aimed at reducing emissions at their source. Fondital is also dedicated to **maximising energy efficiency, eliminating waste and investing in new technologies and plant modifications**, with the aim of increasing the use of renewable energy sources.

4.1

PROTECTION AND MANAGEMENT OF WATER RESOURCES

Operating sustainably in Valsabbia implies knowing, evaluating and protecting the natural heritage, with a special focus on water resources. Fondital is aware of the importance of water, and is constantly working to reduce its consumption, especially when cooling its production lines, using recirculating cooling towers. The water used comes from wells at the various sites.

The Vestone plant has a purification system, managed entirely by Fondital, which discharges into surface water system, and has significantly reduced the company's environmental impacts. Fondital's environmental policy focuses on limiting water withdrawal, a crucial objective since the plants are located in an area of high water stress.

4.2

MANAGEMENT OF ATMOSPHERIC EMISSIONS

Fondital considers the reduction of emissions a fundamental goal for the company, the community and the ecosystem. To achieve this, **it has implemented an internal management system that includes advanced procedures, purification plants, abatement systems and innovative production processes designed to reduce emissions at their source**.

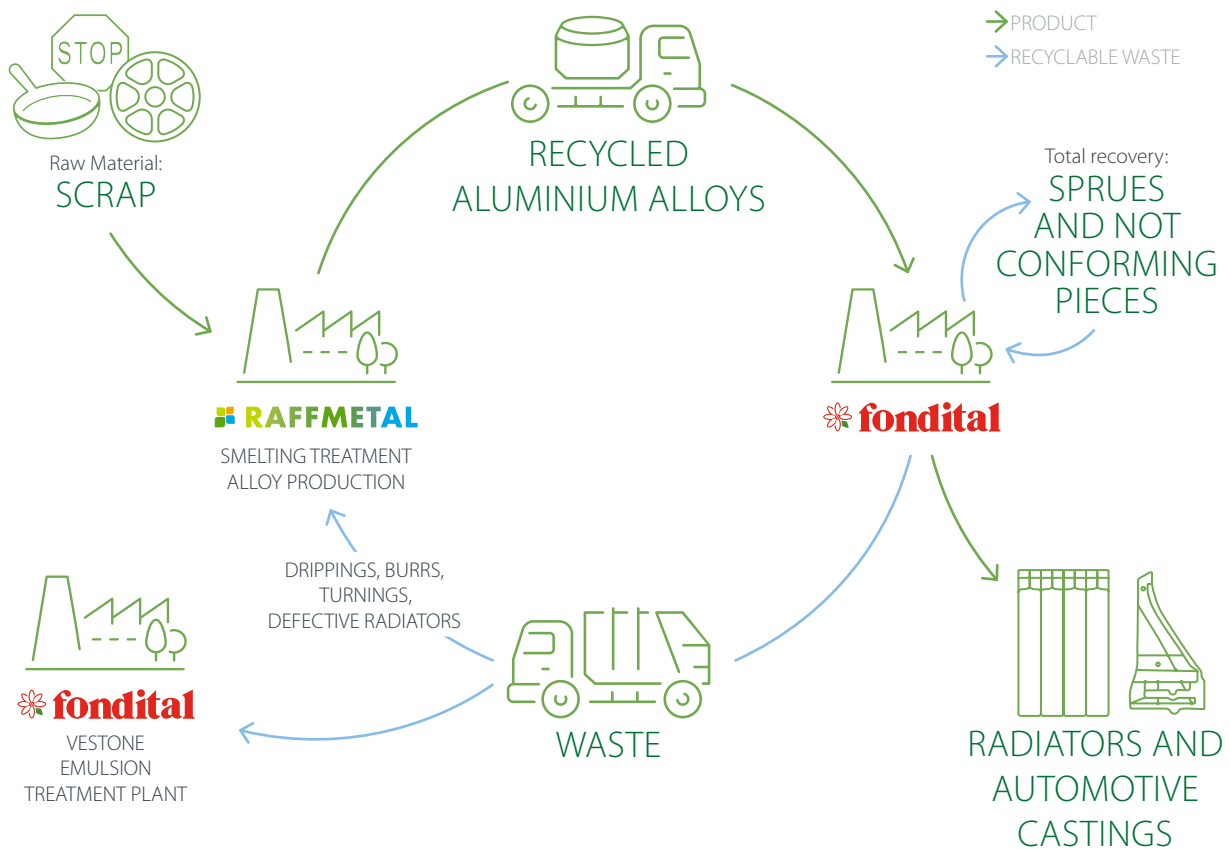
The extraction and treatment of the emissions generated by the plants are not only required by law, but are also fundamental for maintaining a healthy working environment. Fondital operates in full compliance with the requirements of the **Integrated Environmental Authorisation (AIA)**, which strictly regulates atmospheric emissions through stringent limits and periodic checks. The company follows the industry's Best Available Techniques (BAT) for emissions management. **In order to improve monitoring, an electrodynamic dustmeter was installed on the Special Alloys plant chimney**, which continuously measures and records the dust concentrations. In addition, the maintenance and supervision of the extraction and abatement systems are essential for optimising the systems' effectiveness, with all maintenance activities being duly documented.

4.3

WASTE RECOVERY AND TREATMENT

Fondital aims to treat and recover as much waste as possible within its production cycle. In fact, 55% of the aluminium used in the production of the radiators comes from the re-melting of production waste, while the emulsions produced at C1 are treated and purified, with the purified water returned to the river, thus reducing the volume of waste to be disposed of.

In this regard, **one significant project was the improvement of the radiator processing plant**, which falls within the scope of process optimisation and waste reduction. Replacing the blowing system with a collection tank to optimise the dripping process has allowed for a significant reduction in emulsion waste, while at the same time lowering disposal costs. It has also led to a decrease in water withdrawal from the grid, thus reducing environmental impact and improving resource treatment.



In 2023, Fondital managed and re-utilised 64% of the waste produced within the Silmar Group internally.

When in-house management by Fondital is no longer possible, the company relies on Silmar Group's in-house recovery centres: the aluminium that cannot be reused by Fondital is delivered to Raffmetal in order to regenerate raw material that can be reintroduced into the production cycle; electrical cables, consisting of copper and plastic, on the other hand, are delivered to Valsir plants.

4.4

PRODUCT LIFE CYCLE STUDY

The Life Cycle Assessment (LCA) is an ISO 14040-standardised method that **evaluates the environmental impact of a product or service throughout its life cycle**. It analyses the resource flows and possible impacts, helping to improve the processes and avoiding biased conclusions.

This tool also helps customers make more environmentally, socially and energy-conscious choices, and can be adapted to different study objectives.

1 GATE TO GATE

Only analyses a specific part of the production process, excluding both the earlier stages, such as the extraction of the raw materials, and the later stages, such as the use or disposal of the product.

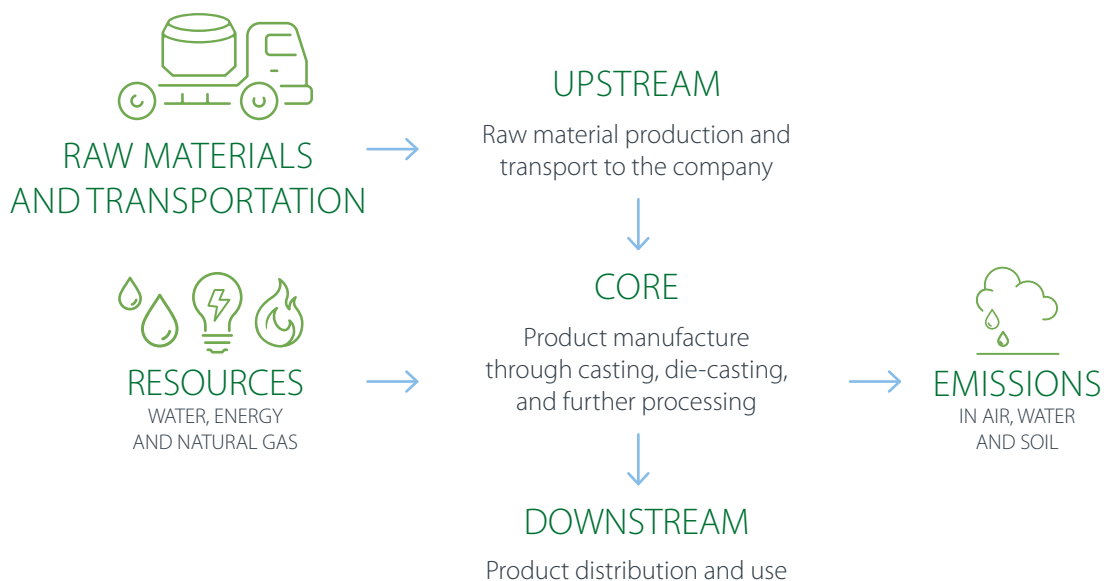
2 CRADLE TO GATE

Covers the extraction of the raw materials to the stage immediately preceding delivery to the consumer, excluding the use and disposal of the product.

3 CRADLE TO GRAVE

Analyses the entire life cycle of the product, from resource extraction through use, and disposal or recovery.

This is crucial for optimising production in line with the objectives of the European Green Deal.



In collaboration with the University of Siena, **Fondital conducted a preliminary life cycle analysis (LCA) for the production of aluminium die-cast automotive castings.**

With the completion of the Automotive production line in plant C3, the study will be updated to analyse the entire production cycle, from the raw material to the finished product.

An LCA study will also be **conducted for the die-cast radiators.**

4.5

ENERGY AND CLIMATE

Energy efficiency and the reduction of CO₂ emissions are key issues for circularity and process optimisation, with the aim of offering quality products that contribute to the decarbonisation pathway.

In 2023, the investments made to streamline and renovate the facilities enabled the company to significantly reduce its CO₂ emissions, thanks to an ongoing commitment to energy efficiency through advanced technologies, process optimisation and rigorous monitoring.

-11%

GREENHOUSE GAS
EMISSIONS

2023 COMPARED TO 2022



DIRECT "ON SITE" EMISSIONS:
natural gas + diesel + LPG



INDIRECT EMISSIONS:
electricity consumption

In the foundry department, the company reduced its energy consumption by 6% by introducing three new high-efficiency presses and improving the existing presses.



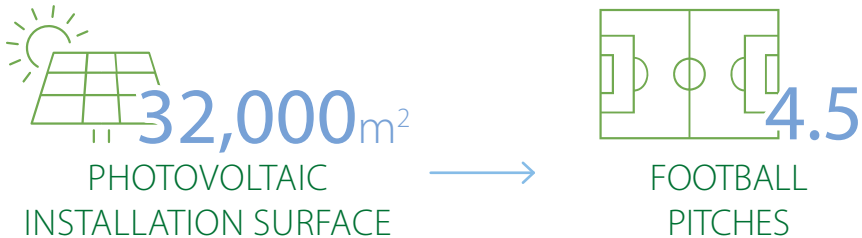
In the coating department, targeted measures, such as the adjustment of motors and other critical components, resulted in a 4.5% decrease in energy consumption in 2023. With regard to compressed air, the optimised distribution and the replacement of the old compressors led to a 60% reduction in compressed air consumption at the Vestone plant, while the compressor upgrade in Carpeneda reduced consumption by 16%.

Fondital has also upgraded the lighting at the facilities from incandescent to LED, resulting in an energy savings of 40% at the plant C2, with a similar reduction expected at the plant C1.



The adoption of new energy sources is a key pillar of the company's sustainability and energy efficiency strategy. With an ongoing commitment to innovation and environmental responsibility, **Fondital is taking significant steps towards diversifying its energy mix.**

In this context, the **installation of photovoltaic systems on the roofs of the Carpeneda (C1, C2, C3) and Vestone facilities, with a total capacity of approximately 7 MW**, represents a significant step towards energy sustainability, allowing the company to self-produce a significant portion of its energy and reduce dependence on traditional sources, thus contributing to the reduction of greenhouse gas emissions.



5

PEOPLE

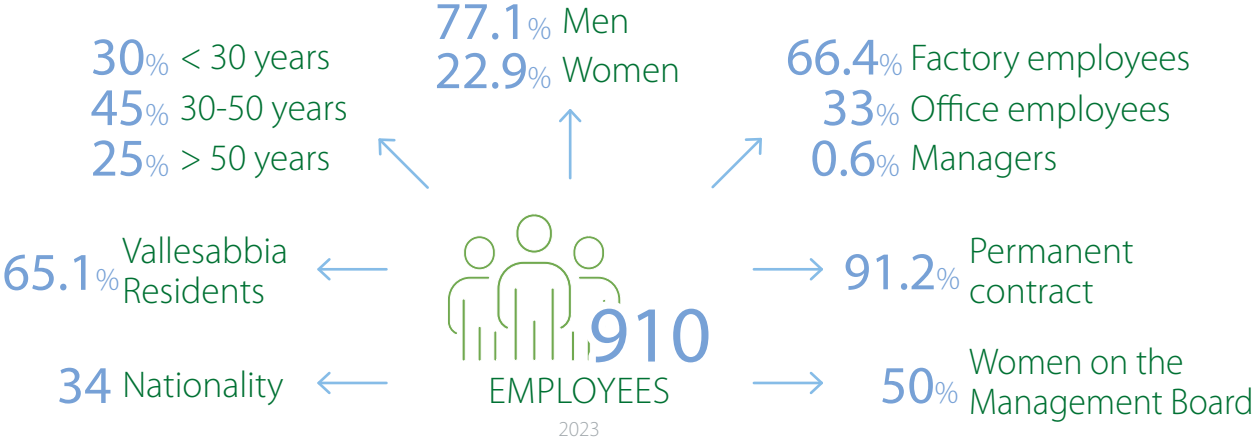


The well-being of the employees and of the communities in which the company operates is of the utmost importance to Fondital.

The company has developed programmes dedicated to the health and safety of its employees, with a focus on personal and professional growth as well, through training and development. This consideration also extends to the local communities, which are supported by philanthropic initiatives.

5.1 EMPLOYEES AND WELFARE

Fondital promotes a culture based on meritocracy, rejects all forms of discrimination based on gender, ethnicity, religion, or any other factors, raising awareness of inclusion and improving interpersonal relations in the workplace.



The company has developed a welfare plan to improve the lives of all its employees, both at the workplace and in the private sphere. In fact, the company's welfare plan consists of the design and implementation of a system for the provision of personalised goods and services.

Improvement of well-being within the company

- Flexible hours for mothers
- Corporate Information Desk
- Company restaurant
- Break areas

Welfare under the national collective labour agreement for the metalworking industry

- Pension contributions
- Welfare under the national collective labour agreement for the metalworking industry

Improvement of well-being outside the company

- Metasalute supplementary health fund
- Tax and social security consultancy free of charge

Increase of the purchasing power of employees' families

- Welfare platform
- Performance bonus

Affiliations and discounts

5.2

CULTURE OF HEALTH AND SAFETY

Managing safety through legal specifications is a necessary (though insufficient) condition for ensuring a broad, profound, and lasting **culture of safety awareness** throughout the company: this requires the workers to play an active role in the prevention of accidents.

A key aspect in assessing the effectiveness of the safety measures adopted is the performance of two key accident indicators: the **Frequency Index** and the **Severity Index**, which respectively monitor the number and severity of workplace accidents. In 2023, the average frequency of accidents decreased by 40% compared to the previous decade, while the severity of accidents dropped by 72%. These improvements reflect the effectiveness of the safety initiatives and the positive impact of the behavioural policies adopted to create a safer working environment.

In 2018, **Fondital adopted a scientific approach based on behavioural safety**, founded on Behaviour Analysis, in order to take action against the behavioural causes of accidents or incidents occurring within the company.

Continued efforts in this direction are based on the fact that **over 80% of work-related accidents are not caused by structural deficiencies or inadequate equipment, but rather by a lack of safe conduct and awareness on the part of the operators.**

The objectives of the company safety project



INVOLVEMENT AND
COLLABORATION



POSITIVE WORKING
ENVIRONMENT



ADOPTION OF SAFE
BEHAVIOUR



SAFETY CULTURE
AND VALUES

The employees are thus directly involved and become protagonists of the workplace health and safety culture. Their active contribution to reporting potential risks or near misses reflects an increasing level of awareness and responsibility, which are essential for achieving the **objective of zero accidents.**

To reinforce this strategy, **Fondital has also introduced innovative courses to empower supervisors**, focusing on example, behaviour and reporting.

Awareness-raising is constantly accompanied by specific training courses. In fact, Fondital not only complies with the regulatory requirements regarding safety training for workers, but also actively promotes a system of continuous training and development, offering targeted courses that address crucial safety issues.



These courses are held in response to the continuous analysis of accidents and near misses, as well as the collection of priority topics for employees, and the objectives of improving the company's safety culture and awareness.

Moreover, since 2017, **Fondital has been an active participant in the WHP (Workplace Health Promotion) project, an initiative aimed at promoting the health and well-being of employees at the workplace.** The project addresses a number of relevant issues, developing targeted, area-specific interventions aimed at improving the employees' working conditions and general well-being.



5.3

PERSONAL AND PROFESSIONAL DEVELOPMENT

Fondital is dedicated to fostering, safeguarding and developing the skills and talents of all its employees, providing a supportive environment where they can fully express their potential and professionalism. This enables them to contribute to the achievement of the company's goals while adhering to the social and environmental responsibility standards set by the management.

A central element of this strategy is the launch of the Corporate Academy, a major milestone in corporate training, which aims to transform employees from mere recipients of training courses to active participants in the development and sharing of their skills. This project not only promotes the dissemination of the corporate culture, but also stimulates continuous innovation of the operational processes.

The company offers structured courses in various areas.

TRAINING AND TECHNICAL UPDATES

Courses closely linked to the employees' specific tasks in order to ensure up-to-date and relevant technical skills.

TRAINING AND PERSONAL GROWTH

A comprehensive range of training courses is offered to employees, covering topics such as Italian and foreign languages, public speaking, leadership, team building, and project management.

"SPECIAL" TRAINING PROJECTS

Flexible and targeted training initiatives designed to respond quickly to specific needs, with concrete and timely solutions.

TRAINING PACKAGE

About ten cross-cutting topics, updated annually, with about twenty sessions to ensure the participation of all employees.



The Corporate Academy offers training in different modes to meet the employees' specific needs.

Classroom training facilitates face-to-face interaction, while **on-the-job training** and **job shadowing** ensure hands-on learning in the field. **E-learning** offers flexibility, and meetings with employees promote professional exchange. **Conferences and seminars abroad** complete the offering, opening up new perspectives and trends in the industry.

Each employee has access to a software that enables the independent management of their training pathway, from booking and assessment tests, to accessing course materials. This tool streamlines monitoring, information sharing, and data analysis for greater efficiency.

Thematic areas



ADMINISTRATION, FINANCE AND SHIPPING
SOFTWARE
PRODUCTION TECHNICIAN
PRODUCT TECHNICIAN
INFORMATION TECHNOLOGY



LEGAL ISSUES
FOREIGN LANGUAGES
SAFETY AND ENVIRONMENT



SPECIAL TRAINING
FONDITAL GENERAL
CONTINUOUS IMPROVEMENT
ORGANISATION AND DEVELOPMENT
COMPANY POLICY
PRODUCT QUALITY



5.4

TERRITORY: DEVELOPMENT AND EMPLOYMENT

Fondital is actively committed to promoting quality of life and socio-economic development, investing in young people and offering them opportunities for both professional and personal growth.

The enhancement of the territory represents another fundamental value for Fondital, which proposes itself as a centre of expertise accessible to young people, thus helping to sustain and keep alive the local community of the Valsabbia area, where Silmar Group primarily operates.



GRANTS, SPONSORSHIPS, AND DONATIONS FOR LOCAL COMMUNITIES

2023



The **We Love Sport** programme was created with the aim of promoting sport as a fundamental tool for growth, unity, and conveying values to young people.

Aimed to promoting accessibility to sports for children, adolescents, and young people, these initiatives ensure their ability to pursue their favourite activities in well-equipped facilities, supported by dedicated volunteer groups who prioritise the well-being and development of the next generation.



Within the context of the **We Love Schools** programme, Fondital has launched significant social responsibility initiatives, with the aim of guaranteeing quality schooling for local young people and preparing them to enter the workforce.

The company offers **PSPO** to high school students, enabling them to acquire practical skills for the future, as well as **internships** and thesis opportunities within the company. In 2023, 12 educational institutions were involved, and **Open Days** were organised to strengthen ties with the local community and inspire young people to strive for rewarding professional careers.

PSPOs and internships by macro area

2023



12

PRODUCTION,
MAINTENANCE
AND QUALITY



19

TECHNICAL



20

ADMINISTRATIVE AND
SALES



In early 2020, the Silvestro and Margherita Niboli Fund was established within the Fondo della Comunità Bresciana (Brescian Community Fund). This fund was created to promote and support concrete projects for the cultural, social, health and educational development of the Vallesabbia community, and the entire province of Brescia.

The initiative reflects the commitment of Silmar Group's General Management, wholly owned by the Niboli family, in continuing to show care and support for the local area. This approach reflects the legacy of Silvestro Niboli, the Group's founder, who passed away in 2017, and his wife Margherita, who have always been committed to helping the community.

6

BUSINESS CONDUCT



Social responsibility is a fundamental pillar of Fondital's organisational strategy, and is an integral part of all its decision-making processes and company activities. It is based on respect for the principles of transparency, ethics, legality and human rights, which are constantly upheld and communicated to all the stakeholders.

6.1

BUSINESS RESPONSIBILITY

Fondital has adopted an **Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001**, aimed at preventing unlawful conduct or offences, including environmental and occupational safety offences, by employees or senior figures in the interest or to the advantage of the company. The effectiveness of the model is guaranteed by specific protocols, a Supervisory Board in charge of monitoring and periodic checks in the various company areas.

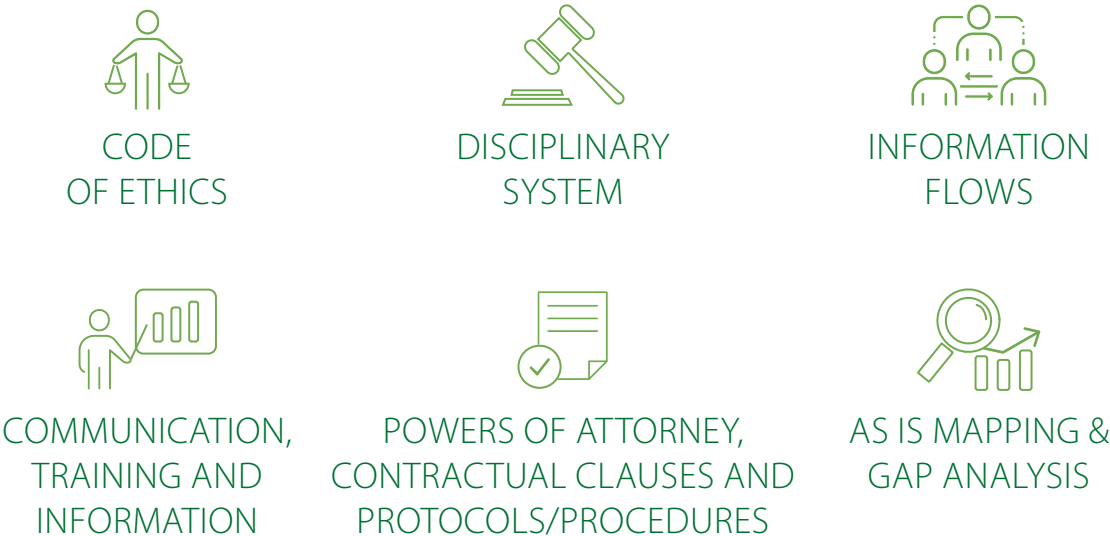
The company has integrated into the core of its operations a **Code of Ethics**, available on the official website, reflecting the company's values and guiding principles, and has established a **system for reporting any irregularities or violations**, guaranteeing confidentiality for whistleblowers. The reports are examined by the Supervisory Board, which informs the Board of Directors for any necessary actions to be taken.

Finally, in order to further strengthen the commitment to transparency and legality, **training courses** have been planned to raise awareness among the employees, and a **new platform for handling reports**, including those in the ESG sphere, **is currently being developed, which will replace the current system.**

During the reporting period, there were no confirmed cases of corruption, legal action, sanctions or interruptions of relations with suppliers due to irregular behaviour, nor any fines or penalties for non-compliance with environmental regulations.

Fondital's commitment to transmitting its values is also reflected externally, with its **active participation in the dossier promoted by the** International Association of Aluminium Radiators (AIRAL), of which the company is a member, for the renewal of anti-dumping duties on aluminium radiators exported from China, which is essential to ensure fair competition and protect the rights of the European industry in the sector.

Supervisory Board



6.2

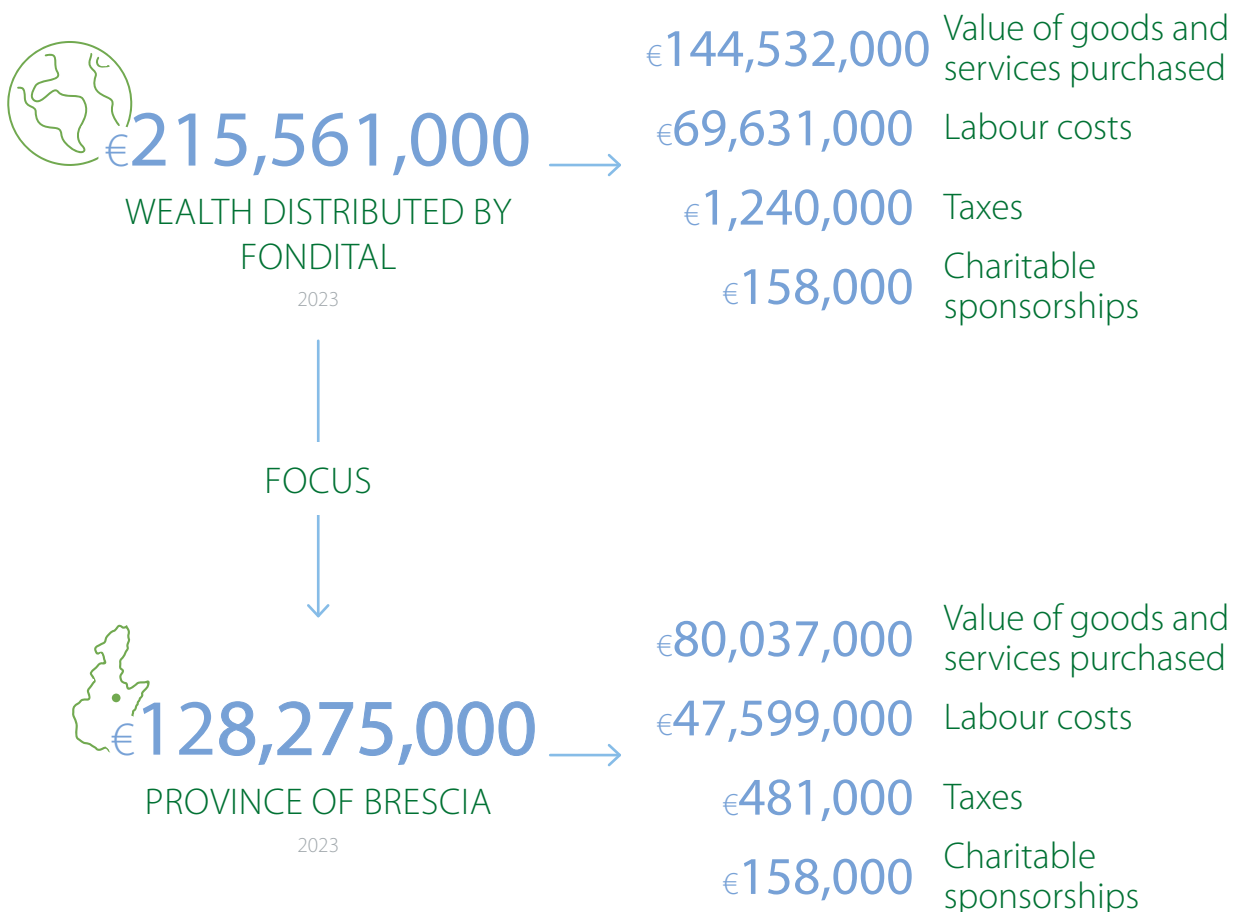
DISTRIBUTED WEALTH

For Fondital, economic responsibility means developing and maintaining a high capacity to do business, guaranteeing the quality of the products offered to its customers, and creating new synergies and added value, which is shared with the company's employees and suppliers, and the community where we are located.

The added value distributed measures the economic and financial wealth produced by the company and distributed to the employees, and to the suppliers with whom the company cooperates. This is calculated based on the difference between the value of production and the cost of goods and services purchased externally to carry out its production activities.

It is therefore a key indicator of a company's ability to generate prosperity not only for itself, but for the entire context in which it is embedded.

In 2023, Fondital's business activities generated and distributed wealth to key stakeholders amounting to € 215,561,000.

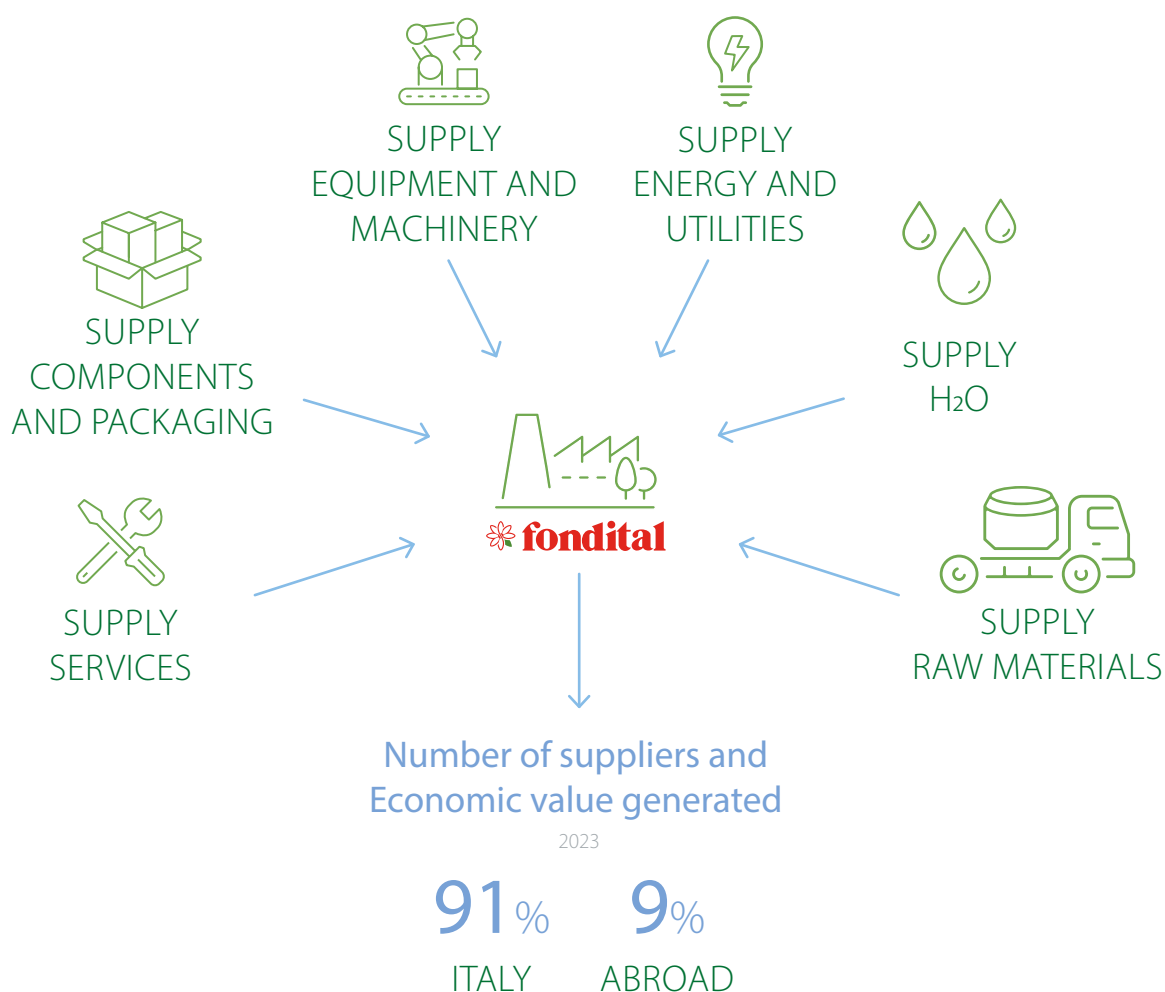


6.3

THE SUPPLY CHAIN

Sustainably managing the supply chain means considering environmental, ethical-social and economic-financial impacts, promoting virtuous practices throughout the entire life cycles of goods and services. The aim is to increase long-term social, environmental and economic value for all stakeholders by adopting a short supply chain that fosters lasting relationships based on equity, innovation and sustainability.

Fondital is committed to creating value for its suppliers, **promoting shared growth both in Italy and abroad, with the majority of suppliers coming from within Italy.**



Trade associations represent and protect the interests of a specific production or professional category. **Fondital is an active member of 8 trade associations that represent the interests of their sectors at the national or international levels.**



GLOSSARY

ALUMINIUM ALLOYS: Also called light alloys, these are mainly obtained by combining aluminium with certain alloying elements such as copper, zinc, manganese, silicon or magnesium.

ANTIDUMPING: A trade measure taken by a country or economic area to counter the sale of imported products at prices below their normal value in order to protect local industry from unfair competition.

AUTOMOTIVE: This is the branch of the manufacturing industry that deals with the design, construction, marketing, and sales of motor vehicles.

BAT (BEST AVAILABLE TECHNIQUES): Technical solutions (plant engineering, management, control) dictated by the IPPC regulation, implemented to avoid or, where not possible, to reduce the emission of pollutants into air, water, soil and waste.

CORPORATE ACADEMY: An in-house training programme created by the company to develop employees' skills through courses, workshops and targeted professional development pathways.

CARBON FOOTPRINT: A measure that expresses in CO₂ equivalent (CO₂e) the total greenhouse gas emissions generated during the life cycle of a product, service, or organisation. The lower this number, the more sustainable the company is.

COMPRESSED AIR: Air that is pressurised by a compressor to be used as an energy source in various industrial processes and applications, such as the operation of air tools or machinery.

CRADLE TO GATE: An extended LCA that ranges from the collection of raw materials, to the gate, or rather before the product is transported to the consumer. The stages of the product's use and disposal are omitted, but one still gets an overview of the production scenario.

CRADLE TO GRAVE: A full LCA, from the extraction of the resources, to the utilisation phase, and disposal-recovery.

CSR (CORPORATE SOCIAL RESPONSIBILITY): In economic and financial jargon, it is the field that concerns the implications of an ethical nature within the strategic vision of a business: it is a manifestation of the company's desire to effectively manage its social and ethical impact, both internally and in relation to all of its stakeholders.

CSRD: the EU directive requiring large companies to provide detailed information on their environmental, social and governance performance.

DIE-CASTING: A casting process in which a liquid metal, such as aluminium, is injected under high pressure into a mould to produce components with complex shapes and high precision.

DISTRIBUTED ADDED VALUE: Measures the economic and financial wealth produced by the company and distributed to the employees, and to the suppliers with whom the company cooperates. This is calculated based on the difference between the value of production and the cost of goods and services purchased externally to carry out its production activities.

DOWNSTREAM: Within the context of an LCA study, this refers to the processes that occur after the product's production phase, including all activities related to the product's use, distribution, consumption and end-of-life management.

DUAL MATERIALITY: An approach that considers both the company's impacts on environmental, social and governance (ESG) aspects, and how these factors affect the company's financial performance.

ELECTRODYNAMIC DUST METER (ECS): Emission Control Systems are advanced automatic alarm systems that measure and record the concentration of the pollutant to be monitored, as well as the temperature, pressure, and humidity parameters required for the normalisation of the measurand (quantity in a given sense being measured).

EPD (ENVIRONMENTAL PRODUCT DECLARATION): A certified document providing transparent information on the environmental impacts of a product during its life cycle, based on international standards such as ISO 14025, to support sustainable choices and eco-design.

ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE): The term ESG was coined in 2004 to define guidelines and recommendations on how to better integrate environmental, social and corporate governance issues into asset management. Today, ESG ratings are used to evaluate companies based on their environmental, social and governance responsibility practices, in order to provide transparency to investors, customers, and the industry as a whole.

ESRS (EUROPEAN SUSTAINABILITY REPORTING STANDARDS): European standards for sustainability reporting. Developed by EFRAG as part of CSRD, these provide guidelines on how companies should transparently communicate their environmental, social and governance (ESG) performance.

GATE TO GATE: A partial LCA that only analyses a portion of the value-added process within the supply chain.

GRI REPORTING STANDARDS: The GRI Standards (Global Reporting Initiative) are international standards for sustainability reporting, which guide the communication of economic, environmental and social impacts. The GRI Standards 2021 version emphasises human rights, governance and stakeholder interaction, enhancing transparency in reporting. HR Human Resources Department.

GWP (GLOBAL WARMING POTENTIAL): An index measuring a gas's ability to retain heat in the atmosphere relative to the same amount of carbon dioxide (CO₂), thus assessing its contribution to the greenhouse effect and global warming over a specific period of time.

IMPACT: In the CSRD, the term impact refers to the positive or negative effects that a company's activities have on the environment, society and the economy, with an emphasis on reporting these impacts to improve transparency and corporate responsibility.

INTEGRATED ENVIRONMENTAL AUTHORISATION (AIA): A provision that allows specific industrial activities to operate within specific limits for the protection of the environment. At the European level, it is regulated by Directive 2010/75/EU (IED), and in Italy by Legislative Decree no. 152/2006 (Consolidated Environmental Law) and Legislative Decree no. 46/2014, which transposes the European directive.

LCA (LIFE CYCLE ASSESSMENT): A tool used to analyse the environmental impact of a product, activity or process throughout all phases of the life cycle, by quantifying the use of resources and the emissions into the environment associated with the system under assessment.

NEAR MISS: A near miss, or near injury, is a work event that could have caused an injury or damage, but did not do so by pure chance. Their analysis is essential for preventing future accidents and improving safety.

PHS RANGE: A range of plumbing products and equipment related to Plumbing, Heating, and Sanitary water.

PRIMARY ALUMINIUM: Produced from a mineral, bauxite.

RECYCLED ALUMINIUM: Obtained from the remelting of end-of-life aluminium scrap or from processing waste.

SCOPE 1: Classification drawn up by the GHG Protocol which identifies all direct greenhouse gas emissions, i.e. the ones caused by sources owned or controlled by the reporting entity (e.g., natural gas, Diesel).

SCOPE 2: Classification drawn up by the GHG Protocol which identifies all indirect greenhouse gas emissions, i.e. the ones, deriving from consumption of energy taken from the grid (e.g., electricity).

SUSTAINABILITY: Condition of a development able to ensure the satisfaction of the needs of the present generation without compromising the possibility of future generations to meet their own. Ensuring sustainable development means taking into account three dimensions, interconnected in a synergistic and systemic way: the environmental, economic and social ones.

STAKEHOLDERS: The term "stakeholder" refers to all persons who may affect or are affected by the company's activities. These include: employees, clients, suppliers, financiers (banks and shareholders), associations, the residents of the areas surrounding the company, and local interest groups.

TSCs (TECHNICAL SERVICE CENTRES): Facilities authorised by manufacturers or companies to provide specialised repair, maintenance and technical support services for specific products or equipment, guaranteeing qualified interventions and original spare parts.

STRUCTURAL CASTINGS: Metal components obtained by casting materials, usually metal alloys, in specific moulds, used to create load-bearing or critical parts in structures that require high strength and precision, such as frames or mechanical elements.

THERMOELECTRICALLY WELDED CAP: Patented process. Thanks to thermoelectric welding, the aluminium present in the joint area between the cap and the radiator is homogeneous and perfectly integrated in the metal matrix of the radiator itself. The thermoelectric welding process takes place at controlled temperatures that avoid both porosity and welding residues.

UPSTREAM: Within the context of an LCA study, it is possible to divide the boundaries of the life cycle system into three macro-modules, one being the upstream module, which includes the processes "upstream" of the manufacture of the product under analysis.

WELFARE: A set of initiatives and services offered by a company to its employees to improve their well-being and quality of life, through benefits such as health care, financial incentives, pension plans and work-life balance services.

WHP (WORKPLACE HEALTH PROMOTION) PROJECT: Promoted by Confindustria Brescia, ATS, the Lombardy Region and the European Network for Workplace Health Promotion, this project aims to improve the health and well-being of employees through good practices in six areas: nutrition, physical activity, combating smoking and addiction, work-life balance, and safe and sustainable mobility.

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