SUSTAINABILITY REPORT

2024

CALEFFI GROUP

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CALEFFI GROUP

Sustainability Report

Financial year closed on 31 December 2024

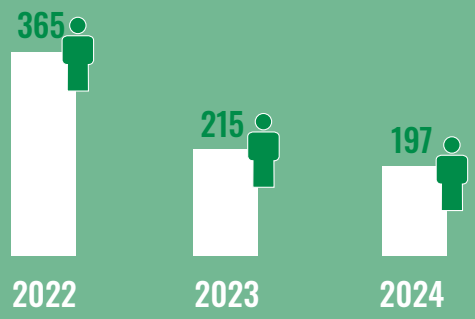
CALEFFI S.P.A.
SHARE CAPITAL €6,000,000 fully paid up.
HEADQUARTERS: S.R. 229, N. 25 - 28010 FONTANETO D'AGOGNA (NO) - ITALY
R.E.A. NOVARA No. 220077
TAX CODE AND COMPANIES' REGISTER NO. 04104030962
VAT Reg. No. IT04104030962

IN SHORT

Personnel 2024

1,615

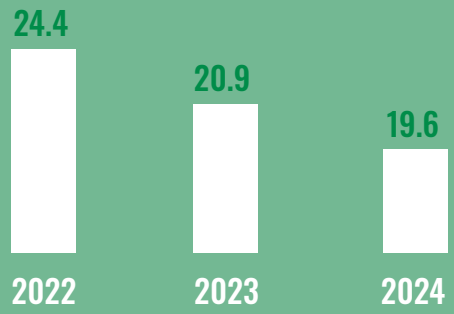
New hires



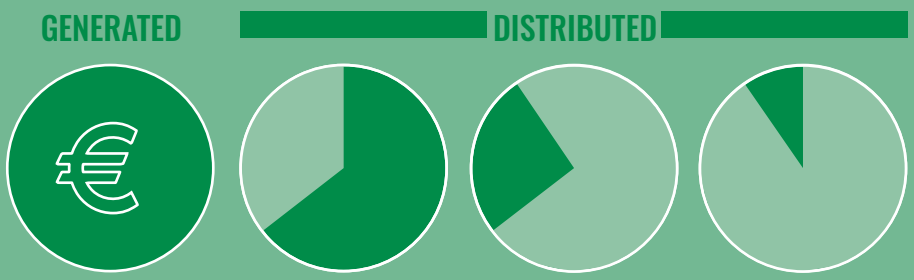
Salary linked to *performance* 2024

70.0 %
for *personnel*

Average annual hours of training



Direct economic value 2024



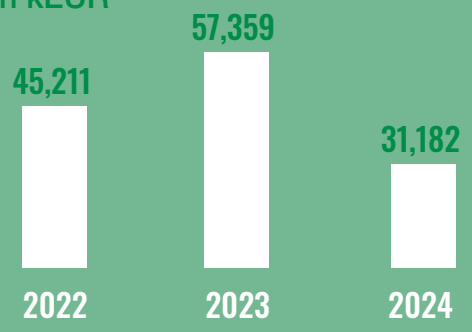
432,055 kEUR

SUPPLIERS
57.0 %

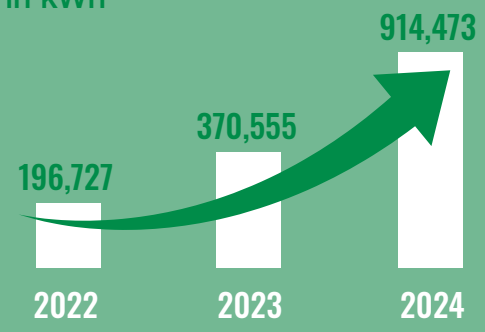
PERSONNEL
23.2 %

P.A.
4.4 %

Investments in kEUR

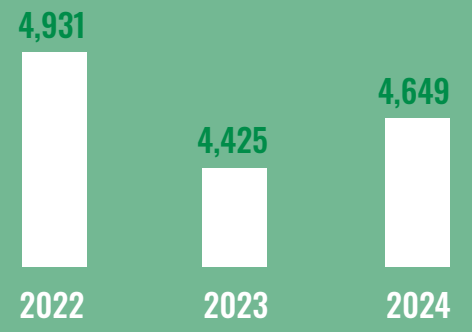


Self-produced energy in kWh



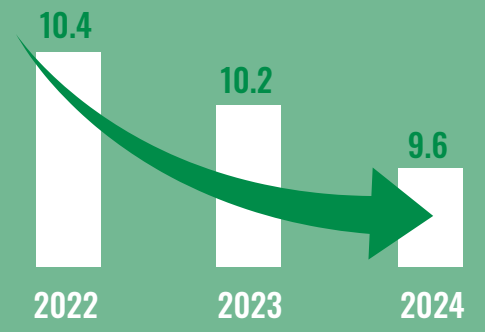
Scope 1 CO_2 emissions in tonnes

Between 2022 and 2024 we reduced out Scope 1 CO_2 *emissions*.



Consumption of electricity in kWh per hours worked

We strive to make energy efficiency a primary objective.



Packaging renewability 2024

For us, sustainability is a strategic choice and a daily commitment.

87.3 %

Local suppliers 2024

We have always privileged the choice of local suppliers.

81.0 %

LETTER FROM THE CHAIRMAN OF THE BOARD

Our company is constantly evolving. In these complex times, we operate in a global economic context that demands adaptability, flexible strategies, and swift decision-making. The year 2024 was no exception.

The world's major economies have progressed at varying speeds: on one hand, the solidity of the U.S. market served as a benchmark; on the other, the slowdown in Europe and Asia exposed the fragilities of an uncertain global scenario. Italy, too, was affected by this instability.
Nevertheless, thanks to the dedication of our people and the strength of our business model, we managed to consolidate our position in the domestic market and maintain stability internationally.

Our Group has faced these challenges with determination, continuing along a path of innovation, responsibility, and sustainability. We have chosen to invest in quality, in the development of our human capital, and in solutions that respond concretely to the needs of a changing world.

During the year, the expiration of certain tax incentives negatively impacted demand in some sectors, leading to a contraction in the market. Despite this, we saw signs of recovery, particularly in the heat pump sector, where we continue to provide effective solutions for a meaningful energy transition.

The European 2030 targets push us to do even more: by contributing to reduced consumption and safeguarding both people and the environment, we strive to innovate continuously - offering products and services that truly meet people's needs.

In this context, sustainability remains one of our core guiding principles. The results achieved to date confirm the strength of our strategy, but we are well aware that much work still lies ahead. That is why we have intensified our efforts in promoting people's well-being, through initiatives focused on health, occupational safety, psychological support, inclusion, and the quality of our internal and external relationships.

We continue to believe that the true challenge is not simply to reach a goal, but to make change a natural part of our daily operations. We aim to build a "new normal" - something revolutionary compared to the past - that leverages our competitive performance by uniting around shared values and a strong brand identity.

This report presents an overview of our actions and the progress we are making toward a future that has already begun.

The Chairman

REPORTING PRINCIPLES

The classic definition of sustainable development, inspired by the 1987 Brundtland Report, describes a growth model that can meet all the needs of the current generation without compromising the possibility for future generations to meet their own.

The *Caleffi group* Sustainability Report was drafted by reporting on a selection of the "Global Reporting Initiative Sustainability Reporting Standards" (GRI-Referenced claim) defined by the Global Reporting Initiative (GRI), 2021 edition.
In drafting this document, we have worked in accordance with the principles laid down in GRI 1, listed below.

1. Accuracy

The *organisation* has reported information that is correct and sufficiently detailed to allow an assessment of its impacts. To this end, it has sought as far as possible to:

- provide qualitative information that is consistent with available evidence and other reported information;
- indicate which data has been measured;
- adequately describe data measurements and bases for calculations, and ensure it is possible to replicate measurements and calculations with similar results;
- ensure that the margin of error for data measurements does not inappropriately influence the conclusions or assessments of information users;
- indicate which data has been estimated, and explain the underlying assumptions and techniques used for the estimation as well as any limitations of the estimates.

2. Balance

The *organisation* has reported information in an unbiased way and provide a fair representation of its negative and positive impacts. To this end, it has sought to:

- present information in a way that allows information users to verify negative and positive year-on-year trends in impacts;
- distinguish clearly between facts and the *organisation's* interpretation of the facts;
- not omit relevant information concerning its negative impacts;
- not over-emphasise positive news or impacts;
- not present information in a way that is likely to inappropriately influence the conclusions or assessments of information users.

3. Clarity

The *organisation* has presented information in a way that is accessible and understandable. For this purpose, it has:

- considered specific accessibility needs of information users, associated with abilities, language, and technology;
- presented information in a way that users can find the information they want with reasonable effort, for example, through a table of contents, maps, or links;
- presented information in a way that it can be understood by users who have reasonable knowledge of the *organisation* and its activities;
- avoided abbreviations, technical terms, or other jargon likely to be unfamiliar to users. A glossary providing the relevant explanations has been included;
- reported information in a concise way and aggregate information where useful without omitting necessary details;
- used graphics and consolidated data tables to make information accessible and understandable.

4. Comparability

The *organisation* has selected, compiled and reported information consistently to enable an analysis of changes in its impacts over time and an analysis of these impacts relative to those of other organisations. For this purpose, it has:

- presented information for the current reporting period and at least two previous periods, as well as any goals and target that have been set;
- used accepted international metric conventions (e.g., kilogrammes, litres), standard conversion factors and protocols, where applicable, for compiling and reporting information;
- maintained consistency in the methods used to measure and calculate data and in explaining the methods and assumptions used;
- maintained consistency in the manner of presenting the information;
- reported total numbers or absolute data as well as ratios or normalised data to enable comparisons, and provided explanatory notes when using ratios;
- provided contextual information to help information users understand the factors that contribute to differences between the *organisation*'s impacts and the impacts of other organisations;
- presented the current disclosures alongside *restatements* of historical data to enable comparisons if there have been changes from the information reported previously. This can include changes in the length of the reporting period, in the measurement methodologies, in the definitions used, or in other elements of reporting;
- where necessary the *organisation* has presented *restatements* of information under Disclosure 2-4 in GRI 2;
- if *restatements* of historical data are not provided, explained the changes to provide contextual information for interpreting the current disclosures.

5. Completeness

The *organisation* shall provide sufficient information to enable an assessment of its impacts during the reporting period. It has:

- presented activities, events, and impacts for the reporting period in which they occur;
- not omitted information that is necessary for understanding the *organisation*'s impacts.

The data from the various entities falling within the scope of the Sustainability Report was consolidated consistently with the principles used to draft the *group*'s consolidated financial statements as regards economic, financial and equity values. These principles require that the information on each consolidated company be extrapolated from the financial statements drafted for approval by the relevant bodies, appropriately reclassified and rectified where necessary, in order to ensure that they are uniform and consistent with the *group*'s accounting principles. The consolidation method used is the so-called "full consolidation" which, among its main activities, requires the aggregation of the consolidated accounts, the conversion of the accounts into the reporting currency, the elimination of interests, the elision of intra-group entries and the attribution of minority interests. For a better description of the methodology followed to draft the *group*'s consolidated financial statements, refer to the document itself, regularly deposited with the Companies' Register in accordance with the law.
To collect and consolidate the information not related to the economic-financial-equity reporting, an internal process was defined to collect, aggregate, consolidate and validate the data.
The *organisation* gives the reasons for any omitted or incomplete information or the omitted or incomplete disclosure requirements on a case-by-case basis.

6. Sustainability context

The *organisation* has reported information about its impacts in the wider context of sustainable development. Where possible, the *organisation* has:

- drawn on objective information and authoritative measures on sustainable development to report information about its impacts;
- reported information about its impacts in relation to sustainable development goals and conditions;
- reported information about its impacts in relation to societal expectations and expectations of responsible business conduct set out in authoritative intergovernmental instruments with which the *organisation* is expected to comply;
- reported information about its impacts in relation to appropriate local contexts.

7. Timeliness

The *organisation* undertakes to report information on a regular schedule and make it available in time for information users to make decisions.

8. Verifiability

The *organisation* gathers, records, compiles and analyses information in such a way that the information can be examined to establish its quality. For this purpose, it has:

- has set up internal controls and organize documentation in such a way that individuals other than those preparing the reported information can review them;
- documented the decision-making processes underlying the *organisation*'s sustainability reporting in a way that allows for the examination of the key decisions and processes;
- worked to be able to identify the original sources of the reported information and provide reliable evidence to support assumptions or calculations;
- deems it is able to provide representation from the original sources of the reported information attesting to the accuracy of the information within acceptable margins of error;
- has avoided including information that is not substantiated by evidence;
- has provided and is willing to provide clear explanations of any uncertainties associated with the reported information.

THE YEAR 2024

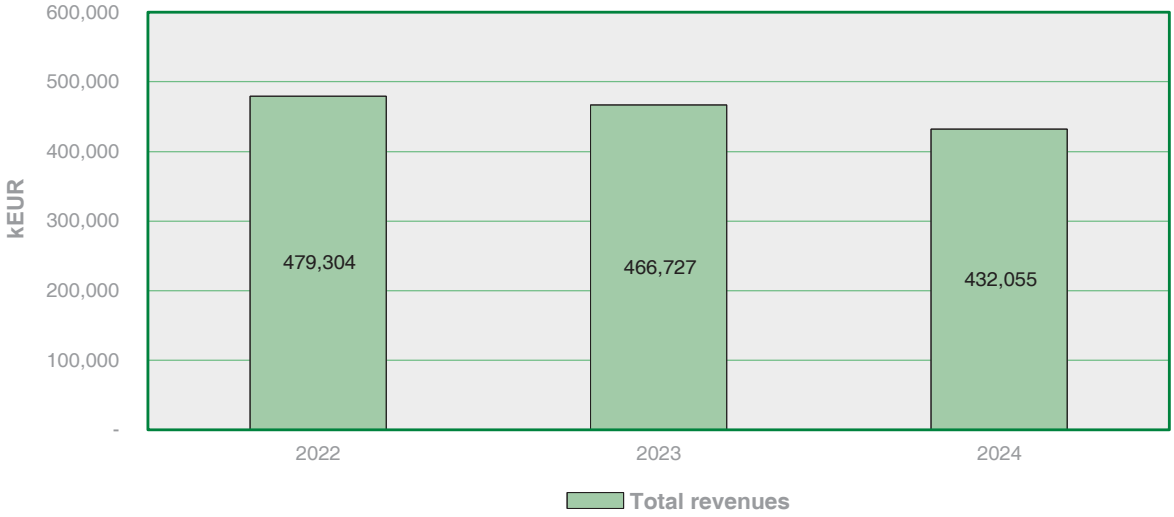
1. Turnover

The *group* works in two business sectors:

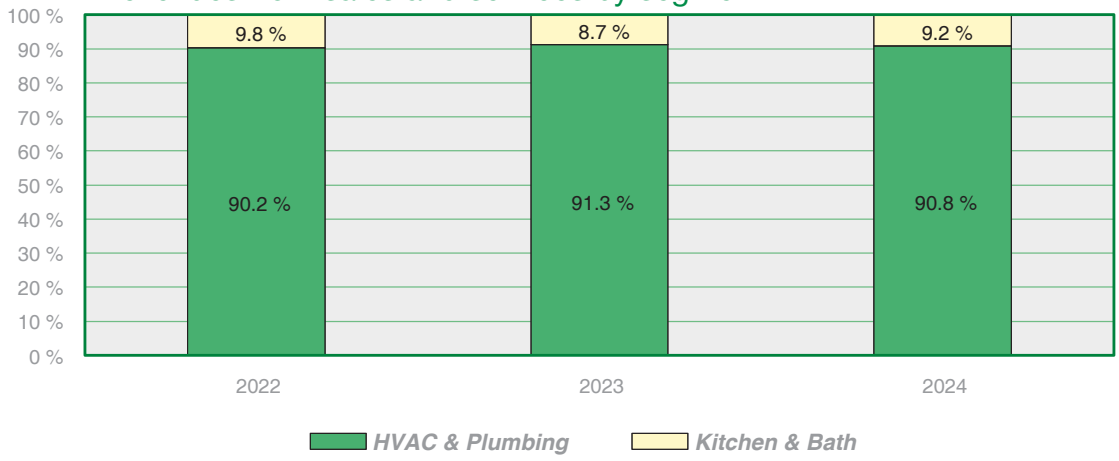
- *Heating, Ventilation and Air Conditioning & Plumbing (HVAC & Plumbing);*
- *Kitchen & Bath.*

The trends in revenues from sales and services in the referred three-year period are given below.

Revenues from sales and services



Revenues from sales and services by segment

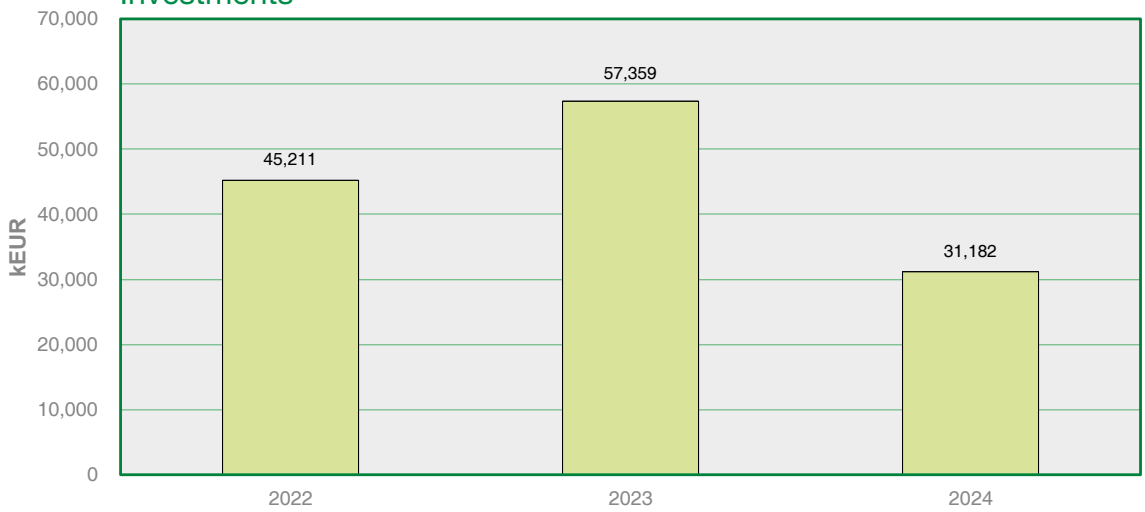


Although slightly down, in the three-year period the revenue trends continued to benefit from the strong economic progress in the reference sectors. Customers, end users and governments continue to pay close attention to *ESG* criteria, the reduction of energy consumption and the use of alternative methods for domestic heating. Many countries have introduced incentives in the attempt to stimulate their citizens to reduce and contain emissions and improve their environmental impacts. Especially in Italy, these incentives are now being reduced. Moreover, criticalities linked to the limited capacities of the mains electricity network are beginning to appear, as this is not able to provide the energy required for the mass installation of sustainable heating systems.

2. Investments

Investments in tangible and intangible fixed assets for the three-year period 2022-2024 are given below.

Investments



The *group* invests constantly to increase its production capacity and renew its facilities, machinery and equipment, also with a view to modernisation. Major efforts are now being taken to expand the production sites and commercial facilities in order to ensure that they can respond to the demands of the reference markets and the well-being of the *personnel* on site. This is the expression of the *group*'s intention to look to the future with a medium-long term view. In the first half of 2024, the extension of the *Caleffi 3* plant in Gattico-Veruno was finished, and in late 2024 works began on the project to expand the *Caleffi 1* site in Fontaneto d'Agogna by 5,000 m^2. In addition to normal routine investments in new equipment and production moulds, new machinery was also purchased. As regards the situation concerning the foreign branches, the American production plant has been doubled in size and, by mid-2025 works are expected to be completed on the construction of new offices in Germany, work has begun on building new proprietary offices in Poland, while new headquarters in the United Kingdom are due to open in early 2025. In Italy, *Cristina* completed the installation of a new galvanic system, which was put into operation in November 2024.

3. Projects

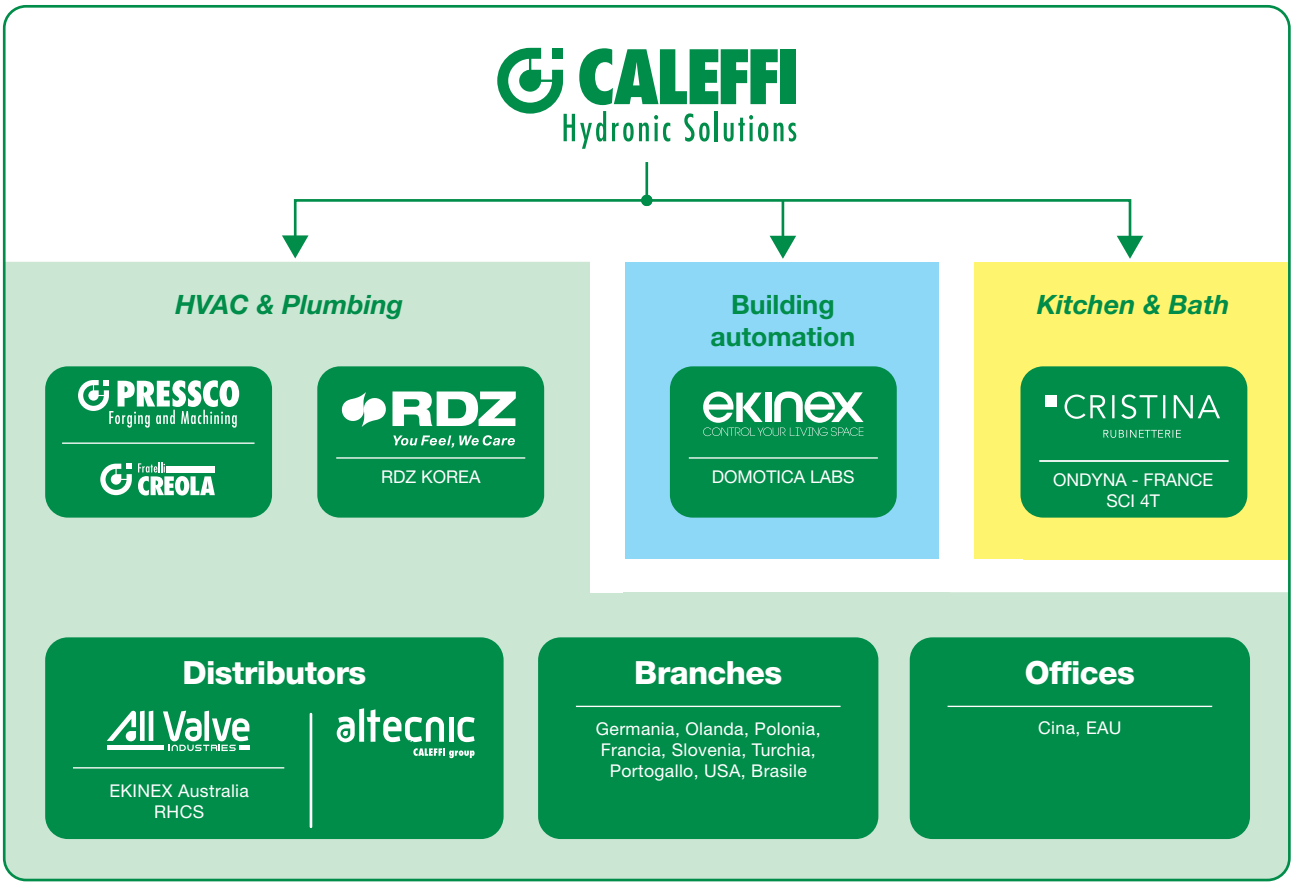
Over the three-year period, the *group* has launched and continued several projects with a view to *Industry 4.0*. This means having launched a crucial transformation of the way in which industrial goods are designed, produced and managed, through the adoption of advanced digital technologies and the integration of intelligent and connected processes. The *group*'s interest in expanding its range of solutions and experiences in the reference sectors is high: components for HVAC and Plumbing systems, controlled mechanical ventilation and water taps. The presentation of products responding to sustainability demands and helping to save energy, money and the planet's resources is part of today's actions.

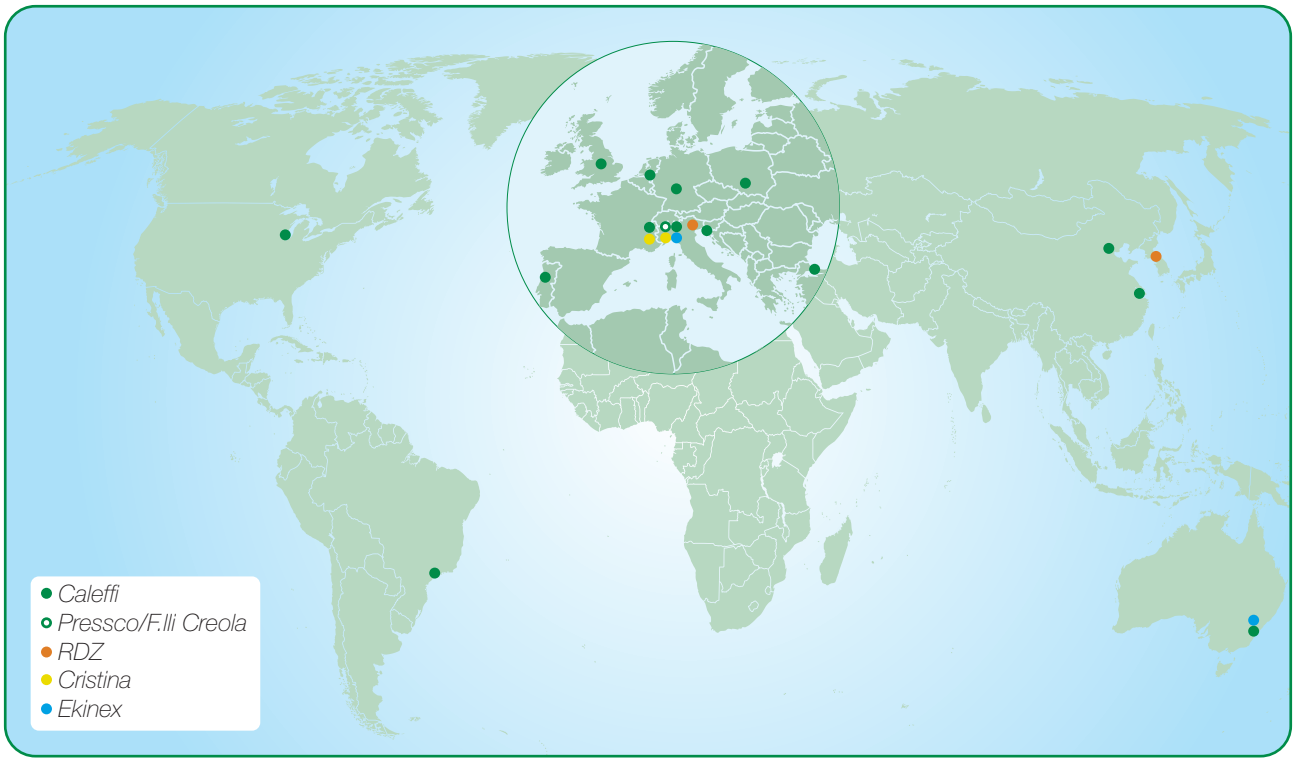
Since 2022 the sustainable *The Caleffi Green* project was made a corporate commitment, aiming to increase awareness of the role we all play and the contribution we can make to sustainable development. Embracing various aspects of company life, the project includes people, processes, products and the surrounding environment.
In 2024, we more forcefully included the concept of sustainability in all aspects of our company life, making it an element to be taken into consideration for every decision made at all levels: environment, social, governance.
One of the most inclusive projects concerns the membership of the Piedmont Region WHP Network: "Workplace Health Promotion" (WHP). A working group was set up with colleagues from all business areas, who will organise initiatives linked to: a healthy diet, promotion of physical activity, personal and social well-being, anti-smoking and addiction campaigns.

GENERAL DISCLOSURE

1. Details *of the organisation*

Caleffi is the *industrial holding* of a multinational *group* which, as at 31 December 2024, included 17 subsidiaries and 3 associated companies, distributed as follows:





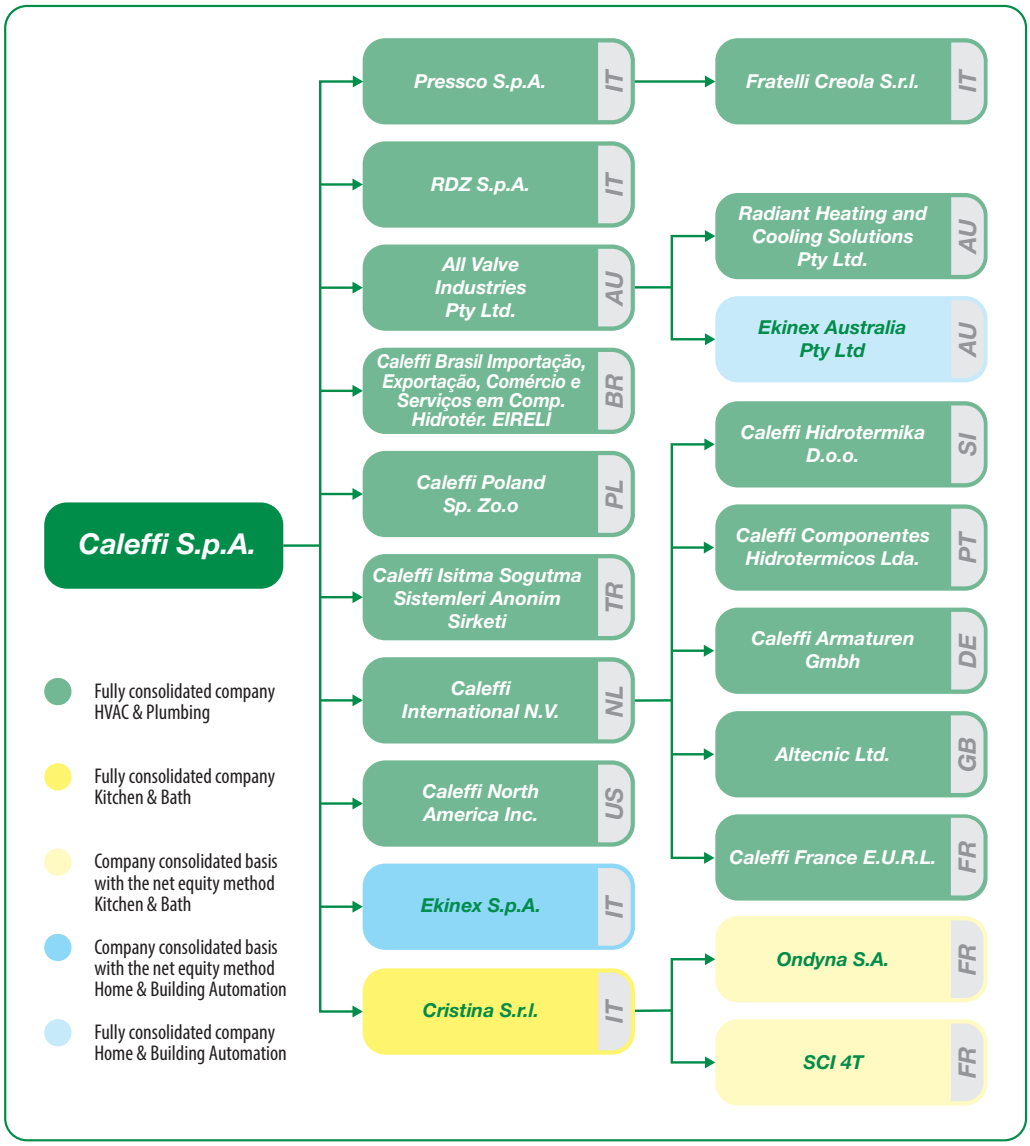
The products are manufactured exclusively in Italy, in the following plants.

Sector	Company	Plant
HVAC & Plumbing	Caleffi S.p.A.	Fontaneto d'Agogna (NO) - *Caleffi 1*
	Caleffi S.p.A.	Fontaneto d'Agogna (NO) - *Caleffi 2*
	Caleffi S.p.A.	Gattico-Veruno (NO) - *Caleffi 3*
	Caleffi S.p.A.	Gozzano (NO)
	Pressco S.p.A.	Invorio (NO)
	Fratelli Creola S.rl.	Gozzano (NO)
	RDZ S.p.A.	Sacile (PN)
	RDZ S.p.A.	Cordignano (TV)
	RDZ S.p.A.	Camolli di Fontanafredda (PN)
Kitchen & Bath	Cristina S.r.l.	Gozzano (NO) - 1
	Cristina S.r.l.	Gozzano (NO) - 2
	Cristina S.r.l.	Gargallo (NO)
	Cristina S.r.l.	Fontaneto d'Agogna (NO)

Distribution takes place through commercial branches or direct customers, through the wholesale and *OEM* companies.
Caleffi has its headquarters in Italy, Fontaneto d'Agogna (NO), in S.R. 229 no. 25, in the North-Eastern Piedmont tap and valve industrial district. The *parent company* was established as a Joint-Stock Company and today is controlled by the second generation of the Caleffi family.

2. Entities included

The disclosure in the Sustainability Report was drafted at *group* level and, unless otherwise indicated, includes the following entities:



The companies: Ekinex S.p.A., Ondyna S.A. and SCI 4T, as associates, are not included in the scope of consolidation. The *group* also holds a minority interest in Eco Enerdigm RDZ Sec. Co, operating in South Korea. This interest was not included in the scope of consolidation of the Sustainability Report.

Where the full consolidated method is applied, the consolidated financial report of the *group* includes the same entities.

The consolidation process aggregated, where possible, the data of the individual legal entities, and, where necessary, the elision of intra-group transactions.

The approach used does not require adjustments to the information concerning minority shareholdings, with the exception, in the economic-financial field, of the attribution to these minority shareholdings of the related percentages of the results and net equity.

Any acquisitions and sales are consolidated or de-consolidated, starting from a date close to the actual acquisition date.

3. Reporting period and frequency

The Sustainability Report for 2024 is the third report drafted by the *group*. The report was drafted by reporting on a selection of the "GRI Sustainability Reporting Standards" (GRI-referenced claim) published by the Global Reporting Initiative (GRI), as shown in the table "Selection of *GRI Standards*" at the end of the document. As soon as a sufficient level of maturity has been gained in the drafting and management of sustainability disclosures, and a sufficiently widespread corporate culture has been assured, the *organisation* intends to report "in accordance" with the *GRI Standards*. In these terms, compared to the previous year's Sustainability Report, the disclosures for which it was possible to collect and display the related data were also increased. Furthermore, in accordance with the developments in European Union law, i.e., the Corporate Sustainability Reporting Directive (CSRD), in future, the *group* will adopt the new European Sustainability Reporting Standards (*ESRS*).

The reporting period coincides with the financial year, which is aligned to the calendar year and refers to the period from 1 January to 31 December. The planned reporting frequency is annual. For the purposes of comparability, the values are given for both the current financial year and for the previous two financial years. Unless otherwise indicated, and specifically illustrated, the economic and financial values correspond to the data reported or used to draft the economic and financial statements.

4. *Restatements* of information

Compared to the 2022 Report, information concerning *personnel*, where possible, for better representation, were divided into *permament employees* and *temporary workers*.

The following data from 2022 were corrected, due to the reasons given below:

- Quantification errors relating to water consumption were corrected;
- *The Scope 1 CO_2 emissions* were corrected as reference was made to conversion factors provided by *DEFRA* for a more precise quantification;
- Data measuring errors relating to *Scope 2 CO_2 emissions* were corrected.

As part of the improvement process, compared to the document issued with reference to the previous financial year, the disclosures have been expanded on and defined to better represent the reported phenomena.

5. External assurance

The 2024 Sustainability Report was produced by the *personnel* of the *parent company*, with the support of the *personnel* of the other companies in the *group.* The document was validated by the top decision-making body: the Board of Directors. For the third year of reporting relating to 2024, it was decided not to submit the Sustainability Report for limited revision by an enabled third party: Deloitte & Touche S.p.A. The economic, equity and financial reporting of *Caleffi*, as *parent company* and as *group*, is subject to legal auditing by EY S.p.A.

PROFILE AND CONTEXT

1. History

The début in 1961, strong development in the 1980s and the international commercial expansion in the 1990s made the first decades the founding pillars of what *Caleffi* is today.
In 2004, the founder Francesco Caleffi passed the baton to his son Marco, leading to a new era, rooted in tradition yet with a modern and innovative approach. The managerial structure was revised with a view to the growth of what had become a multinational business. Significant investments in innovation, sustainability and efficiency continue to be made at the production site, kept in Italy for precise strategic reasons: to guarantee quality competitiveness and global growth. International expansion through new sales offices abroad and the acquisition of complementary companies, which has continued also in the second decade of 2000, has strengthened the *group* identity, which today stands out for its commitment to supplying high-quality solutions for sustainable domestic comfort. This commitment goes beyond our products: it is our way of thinking, being and acting, offering a concrete contribution to the ecological and social transition.

In 2026, *Caleffi* will be celebrating 65 years of activity with a bright approach embracing both its sales skills, with a consequent growth in turnover, and its management of the people who are part of the *Caleffi group*.

Today, *Caleffi* has 1,615 employees; it distributes its products in over 90 countries, with a consolidated net turnover for 2024 of kEUR 432,055.

Time line

KEY YEARS	CALEFFI Hydronic Solutions	FILIALI	
FOUNDATION IN GOZZANO	1961		
RELOCATION TO FONTANETO D'AGOGNA - C1	1975		
PRESSCO Forging and Machining	1980		
	1981	Caleffi Armaturen Gmbh	
	1991	altecnic CALEFFI group	
	1992	Caleffi Componentes Hidrotermicos Lda	
EXPANSION OF FONTANETO D'AGOGNA - C2	1993		
	1994	Caleffi International N.V.	
EXPANSION OF GATTICO-VERUNO - C3	1996		
	1998	Caleffi Hidrotermika D.o.o.	Caleffi Beijing
RDZ You Feel, We Care	2003	Caleffi France E.U.R.L.	Caleffi North America Inc
	2004		
	2011	All Valve INDUSTRIES	
	2012		Caleffi Brasil
DIGITAL TRANSFORMATION	2013	Caleffi Poland Sp. Zo.o	
	2014		
	2016	Caleffi Turkey	
CRISTINA RUBINETTERIE	2017		Caleffi Shanghai
	2019	Caleffi EAU	
Fratelli CREOLA	2023		

2. Identity

Caleffi's roots lie in the North-Eastern Piedmont tap and valve industrial district, in north-west Italy; it is the *parent company* of a multinational *group* covering four continents.
The continuity of the family ownership in charge and a managerial *organisation* guarantees the Italian imprint and behavioural stability, coherence and clarity in its management.
Linked to the territory, it defends Italian-made production in all its subsidiaries and, at the same time, is present in highly diversified markets. Constant growth, also by differentiating acquisitions to create a *group* that works actively in the construction "market", driving and proposing solutions able to meet the needs of future generations. *HVAC & Plumbing*, *Kitchen & Bath* are the core sectors in which the company plays a leading role.

3. Vision

***Caleffi* is a multinational *group* that designs solutions for improving sustainable comfort in the home.**
Ours is a continuously developing company in which Italian production is not only a tangible value but also a strategic choice for the future.
We believe in a more sustainable day-to-day management, made possible by aware innovation of our products and our processes, to ensure they have a possible impact on society and the environment. We strive for coordinated, uniform and sustainable international growth for all the brands in the *group*.

4. Mission

We redesign comfort with our solutions in both the *HVAC & Plumbing* and *Kitchen & Bath* sectors, and in doing so we are committed to making them sustainable.
We work and learn together to offer the best results, defending our total quality, which depends on the quality of every single operation involved in the entire production process and true Italian-made products. All actions are important, as are the choices which favour human resources, the environment and innovation in all business aspects, and these choices are made within the context of a strict moral code which, through our deeds, attests to our fairness and respect for the commitments made.

5. Values

Customer care

Customers are the central focus of all our operations. We undertake to provide high-quality products, services and experiences through accuracy, technical excellence and the sharing of knowledge. We enhance our solid relations with our customers both before and after the sale.

Respect for the environment

We care for the environment we live and work in.
We work to ensure the careful use of energy and materials. We apply this value every day, from the design of products that last, to the production methods we optimise, to our commitment to using sustainable packaging.

The working environment

We care for the health, safety and comfort of our employees.
We want to offer a safe and comfortable environment in which spaces help to foster personal and professional development, also through continuous exchanges, discussions and harmony.

Training

We value the training, knowledge and experience of our work teams.
We invest in development and training for our employees, promoting lifelong learning and experience. We share our knowledge with our customers to ensure they have the tools they need to tackle the new challenges of our sector together.

Relations with *stakeholders*

We do what is worth doing.
Our *stakeholders* trust our brands, our products and our people. We gain their trust by ensuring that everything we do is reliable and consistent and that our relations are based on mutual trust, transparency and cooperation.

Corporate responsibility

We want to work with due regard for the fair economic, social and environmental expectations of all private and public parties involved in our *organisation*'s activities.

6. Strategy, policies and practices

All the companies in the *group* comply with the principles of conduct defined by the *parent company* in the management of relations with all *stakeholders*. The companies under Italian law have appointed the Supervisory Body pursuant to *Italian Legislative Decree no. 231/01*.
The *group* is a member of trade associations, without holding positions in the respective administrative and control bodies.

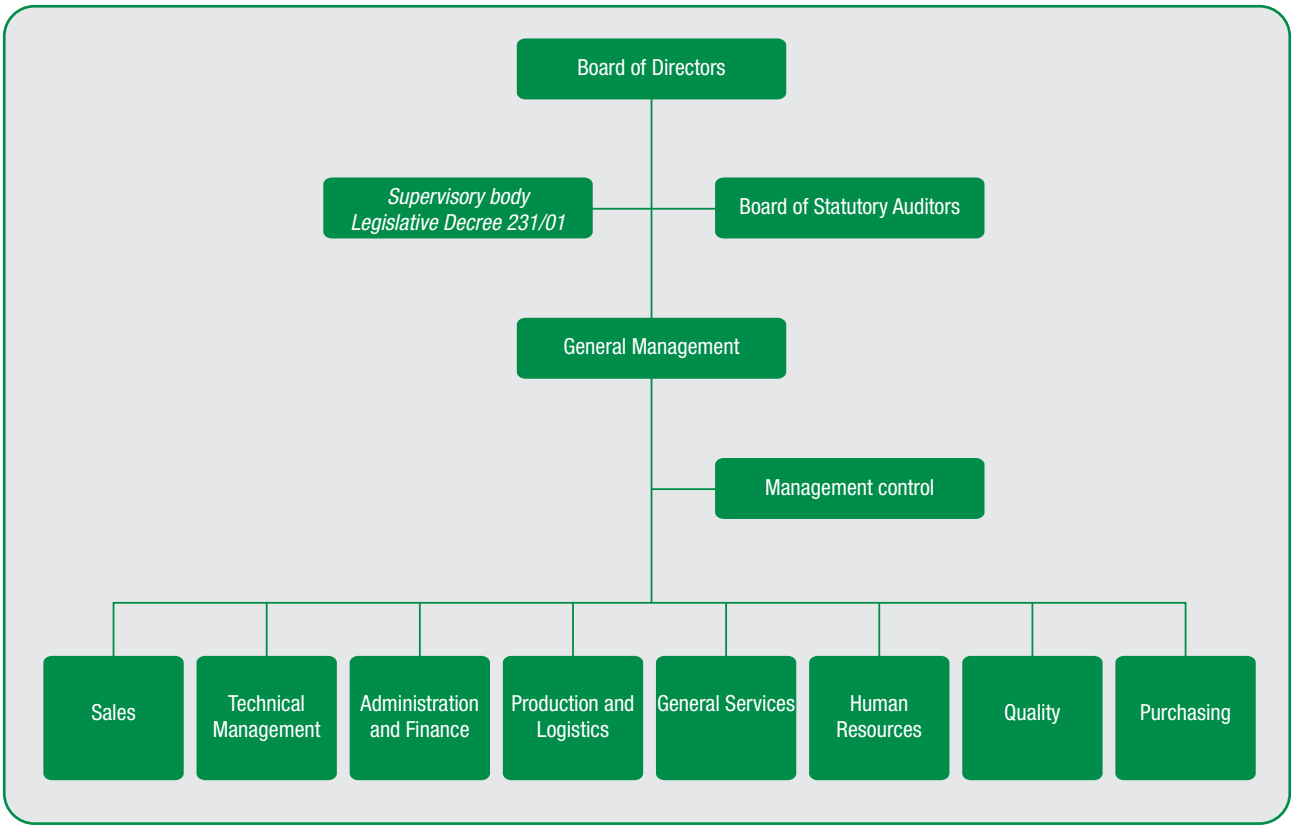
THE *ORGANISATION*

1. Governance

Each of the companies has a governing body and control bodies in accordance with the provisions of local laws.

2. Organisation chart

Caleffi has the following organisational and control structure:



The Board of Directors, the expression of the will of the shareholders, consists of four members[1]:

- **Marco Caleffi** Chairman of the Board of Directors, legal representative with powers
- **Cristina Caleffi** Director with powers [2]
- **Barbara Creola** Director
- **Giovanni Monti** Director with powers and General Manager

The Board of Directors is chaired by the majority shareholder. The Board of Statutory Auditors consists of three statutory auditors and two deputy auditors. The Board of Statutory Auditors has the task of monitoring the management and administration of the companies and the compliance with the current legislation.

[1] *Composition of the Board of Directors at 31 December 2024.*
[2] *From May 2024.*

Caleffi and the other Italian companies in the *group* have adopted an *Organisational Model pursuant to Italian Legislative Decree no. 231/01*. This model requires the establishment of an independent Supervisory Body. The Supervisory Body of *Caleffi* has three members from outside the *organisation*. The Board of Directors, Board of Statutory Auditors and Supervisory Body are appointed for three years.
The governing bodies of *Caleffi* are indicated below, divided by age and gender:

Role	Male	Female	≤ 30	31-50	> 50	Total
Board of Directors	2	2			4	4
Board of Statutory Auditors	5				5	5
Supervisory Body	3				3	3
Total	10	2			12	12

All members of the governing bodies, with the exception of 1, are not *employees of the company*.

3. *Organisational Model* and *Code of Ethics*

The *group* ensures that the management of its activities comply with the principles and rules of conduct it has set forth in its *Organisational Model, drafted pursuant to Italian Legislative Decree no. 231/01*, and in its *Code of Ethics*.

Through this structured and organic system, an Organisation and Management Model has been drafted and implemented, aiming to prevent offences which not only lead to the liability of the entity but also breach the ethical principles to which the whole *group* inspires.

The application of these principles is binding for executives, employees, consultants, collaborators, commercial partners and any other party that for any reason works in the name of and on behalf of the *group*.

Underlying these principles is the firm desire to disseminate not only the results of its knowledge and work but also and above all its culture and values: compliance with the principle of legality, integrity and fighting corruption; the guarantee of the right to confidentiality and *privacy* for all persons involved with the *group,* as well as the protection of intellectual property, avoiding conflicts of interest and combating all forms of money laundering, handling stolen property and direct or indirect relations with anyone who is part of or supports criminal organisations and activities.

The *group* has also recognised that the main added value of its activities is guaranteed by people, and for this reason works constantly to assure their protection and development, creating, maintaining and protecting the conditions necessary to allow their skills and knowledge to be further extended. It therefore guarantees working conditions that respect individual dignity, healthy work environments and safe equipment, offering equal opportunities to all, without any discrimination of gender, age, origin or ability.

Relations with external parties, particularly customers, are based on the compliance with the contents of the *Code of Ethics*, ensuring simple, clear and complete commercial practices, rejecting all use of misleading practices aiming to exploit situations of dependence or weakness, which have no part in the *group*'s conduct.

Towards the Public Administration and its representatives, the *group* strives to work in a manner that does not harm their autonomy and impartial judgement, cooperating where necessary in a sincere manner and providing truthful information.

Furthermore, in relation to sponsorships, the *group* has always been willing to support initiatives and proposals from public and private parties that promote the values inspiring the *Code of Ethics*.

The *group* has not identified or received any reports of non-compliance with laws and regulations, within the *Organisational Model*, during the reporting period and up to the date of issue of this document.

4. Anti-corruption

Compliance with the principle of legality is a pillar of the *group*'s activities. In its relations with the Public Administration, it has identified an area of potential risk, due to the intrinsic features of the relationship, concerning corruption.

Therefore, to ensure compliance with its commitment to fight corruption, the *group* has been structured in a manner that allows it to combat this behaviour in all forms, clearly defining the responsibility of its members at all levels and the conduct to be adopted by everyone working in the name of and on behalf of the companies in the *group*.

THE PROCESS AND THE PRODUCT

1. Certification

Always attentive to quality and sustainability criteria for its products and activities, the various companies in the *group* all strongly believe in strategies based on - actual and not simply stated - continuous improvement, that can be recognised by everyone as a qualifying element in order to be considered a benchmark in their *supply chain*. Indeed, the *parent company* obtained the certification of its Quality Management System in 1990, bearing witness to the efforts and care that have always been applied to its activities. Over the years, we have added the Environmental management system certification and, from 2024, the Occupational Health and Safety Management certification, in addition to the *AEOF* certification relating to goods export procedures which, on the basis of the requirements and conditions established by the European Commission, bear witness to the reliability and safety in the international *procurement* chain of the certified companies. In addition we have many product certifications.

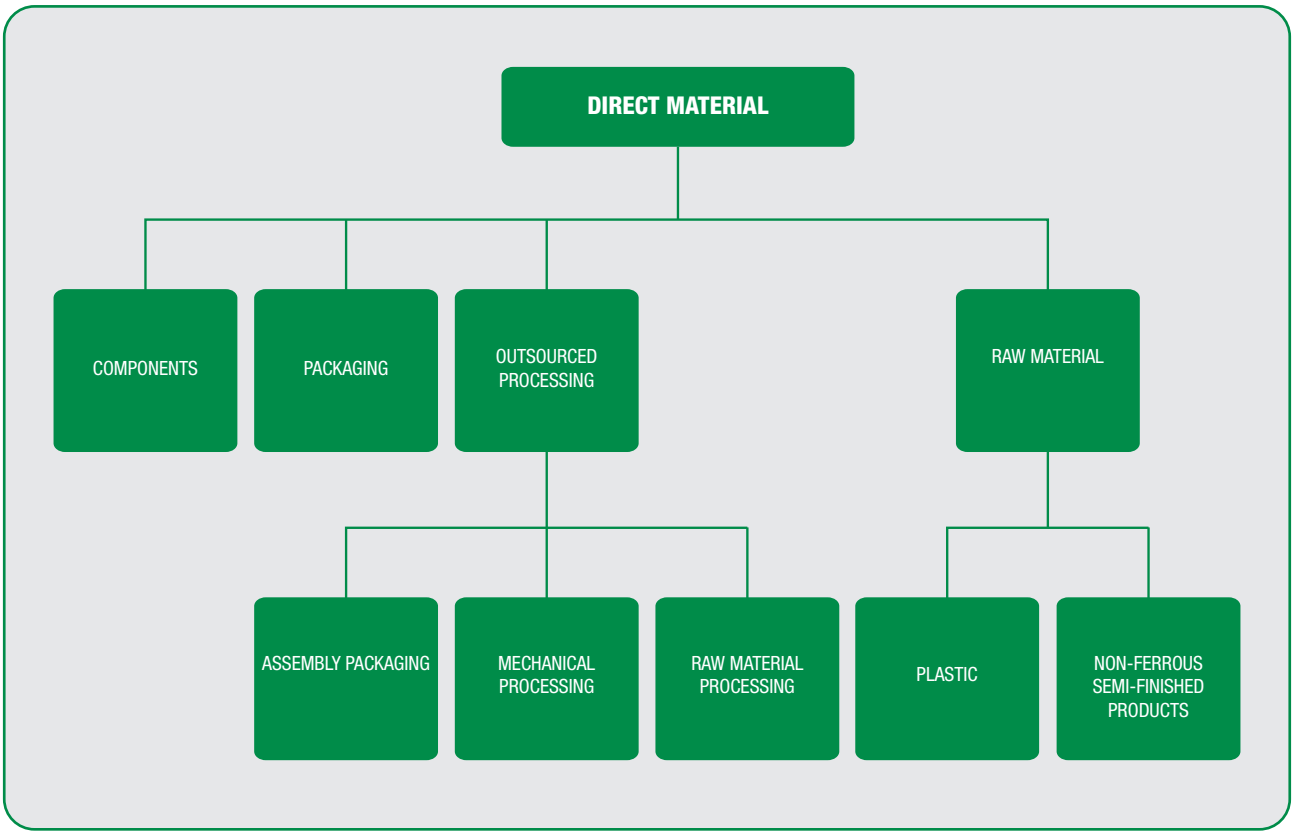
Over time, various companies in the *group* have decided to adopt their own management systems, in order to guarantee the total quality of their operations. For each certification scheme, the table below gives the number of certified companies/plants:

ISO 9001	ISO 14001	ISO 45001	ISO 27001	ISO 50001	SA 8000	*AEOF*	MOG 231	*CODE OF ETHICS*	OTHERS
6	3	3	1	0	0	1	4	6	CQOP-SOA

2. *Supply chain*

In the *group*'s *supply chain*, raw materials are a fundamental and strategic resource and are divided into two large categories: non-ferrous metal semi-finished products (mainly brass alloys) and plastic materials. With over 15,000 t consumed a year, with almost 10 % represented by low-lead alloys, brass is the main raw materials in terms of both quantity and value; it is purchased exclusively from Italian drawing mills (located in northern Italy) and from Germany; over 90 % comes from scrap recycling and from by-products of the *group*. The second category concerns plastic materials, with over 1,500 t consumed a year, sourced from leading chemical and petrochemical companies through direct agreements with manufacturers and official distributors.

The other *direct materials* include: outsourced processing (moulding, casting, surface treatments, mechanical machining, assembly and packaging) mainly from local and highly specialised subcontractors who manufacture according to customer specifications; components (to complete internal production or finished products) mainly from Italian suppliers with an international vision in order to comply with all the regulations in the *HVAC & Plumbing* sector; packagings (mainly paper and cardboard) purchased from Italian manufacturers (located in Piedmont and Lombardy).



3. The production process

The manufacturing companies in the *group* are all located in Italy. Specifically, with the exception of *RDZ*, located in Friuli Venezia Giulia, the production plants are all located in the tap and valve industrial district in North-Eastern Piedmont.

The various production phases in the different plants can be grouped together into common macro-activities.

Goods receipt and storage
The main raw materials arriving at the plants include brass bars, blanks, plastic materials and ancillary processing materials.

Brass moulding and mechanical processing
After any hot moulding phase, the brass bars and blanks are mechanically processed: cutting, *boring*, drilling *and tapping*.

Cleaning
The semi-finished products coming from the mechanical processing departments may undergo washing and cleaning processes using different technologies: washing with water, modified alcohols or other methods.

Surface processing (galvanising)
Some semi-finished products undergo galvanic treatment which may be performed in-house or outsourced.

Plastic moulding
Some plants mould plastic materials, used to make parts for the finished product.

Assembly, testing, commissioning, packaging
In this phase, the metal semi-finished products are assembled with the plastic parts and any other components. Once the finished product is completed, it is sent for testing and commissioning; passing this phase, it is packaged and sent to the warehouse prior to being shipped to the customer.

Storage
Each manufacturing company has its own storage system which may include both classic shelving warehouses and automated intensive warehouses.

Shipment
The work process ends with the shipping phase. Depending on their specific products and the demands of their customers, each company organises the shipments in the manner that is most functional to their own needs.

4. The product

HVAC & Plumbing

Caleffi develops and produces components for heating and cooling systems, controlled mechanical ventilation, hydraulic and domestic water system products and components for new technologies using renewables: heat pumps, biomass, solar and geothermal energy.

RDZ develops and produces radiating heating and cooling and controlled mechanical ventilation systems.

Kitchen & Bath

Cristina develops and produces domestic water taps also based on bespoke solutions, *ECO* timed and electronic taps, with the most efficient water saving systems, a high-end range for bathrooms, kitchens, wellness and outdoors as well as accessories including drainage stacks for tubs and showers.

STAKEHOLDERS AND COMMUNICATION CHANNELS

The *organisation* has identified the following *stakeholders*, those parties holding interests in the *organisation,* either directly or indirectly influenced by or directly or indirectly influencing its operations. Specific communication channels have been established for each of these.

The *stakeholders* were identified through an internal analysis. Each *stakeholder* has their own specific interests. The shareholders directly influence the company choices through the policies. The *personnel* are engaged in and informed of the company choices through the organisational structure and the representative organisations. The end users are informed on the basis of specific communication and marketing methods. The suppliers, in some cases partners with whom the company has cooperated for many years, are involved in technological, production and planning aspects of its industrial choices.

***Stakeholders*/Communication channel**	**Meetings**	**Presentations/ Boards/Committees**	**Telephone**	**E-mail**	**Agent/promoter**	**Trade fairs**	**Newsletters**	**Magazines**
Shareholders	✔	✔	✔	✔				
Personnel		✔	✔	✔				
Customers			✔	✔	✔	✔	✔	✔
End users			✔	✔	✔	✔	✔	✔
Suppliers			✔	✔		✔	✔	✔
Commercial and financial partners		✔	✔	✔				✔
Social partners			✔	✔				
Public Administration			✔	✔				✔
Society/Community			✔	✔				✔
Schools and universities			✔	✔				✔

The *organisation* makes all possible efforts to engage its stakeholders, each in their own area of responsibility.

Demonstrations	Assistance	Support service	Website	Social media	Company *personnel*	Specific software/ sites	*HR* portal	Specific meetings	Advertising	Sponsorships	Donations
			✔	✔			✔				
			✔	✔	✔		✔				
✔	✔	✔	✔	✔	✔			✔	✔	✔	
	✔	✔	✔	✔	✔						
			✔	✔	✔	✔		✔			
			✔	✔	✔			✔	✔		
			✔	✔	✔			✔			
			✔	✔	✔	✔		✔			
			✔	✔	✔			✔	✔	✔	✔
			✔	✔	✔		✔	✔			✔

MATERIALITY ANALYSIS

1. Procedure to determine material topics

To draft the first Sustainability Report, the *organisation* has defined the material topics as required by GRI 3 in the version in force from 1 January 2023.

The identification of the material topics has allowed the *organisation* to report information relating to the economic, environmental and social impacts, including the more significant on human rights, as well as on how they are managed. The process of defining the material topics covered the following phases:

1. Understanding of the context of the *organisation*: in order to perform an analysis that was as complete as possible, we opted for a team-based approach through which all the *stakeholders* were represented directly or indirectly. The team included the participation of representatives of the following Divisions: Purchasing, Environment and Safety; Administration and Finance, Sales, Quality and Human Resources;
2. Identification of potential and actual impacts: again with a team approach, the actual or potential positive or negative impacts were identified;
3. Assessment of the importance of the impacts: using set levels, the team then assigned a scale, scope and probability score for the negative impacts (with particular attention to those considered irremediable), a scale, scope and probability score for the positive impacts.

Material topics	**Impacts**	**Impact**	**Shareholders**	***Personnel***
ECONOMIC *PERFORMANCE*	Creation of economic value and its distribution to *stakeholders*.	H	✔	✔
SUPPLIER MANAGEMENT	*Procurement* polices with supplies, aiming to foster stable economic relationships and facilitate the entry of local or small suppliers.	H	✔	✔
	Performance assessment or environmental certifications in the supplier qualification and selection process, to consider the environmental impacts also in the *supply chain*.	H	✔	✔
	Performance assessment or social certifications in the supplier qualification and selection process, in the field of occupational health and safety, diversity and the respect for worker rights.	H	✔	✔
ETHICS	Adoption of company practices to prevent the risk of corruption.	H	✔	✔

For each material topic, this led to assigning an impact according to 4 macro-categories:

L – Low	– low impact	
M – Medium	– medium impact	
H – High	– high impact	
VH – Very High	– very high impact	

For each of the paragraphs in this report, the impact level was indicated using the symbols represented above.

As there is not a GRI for the specific sector applicable to the *organisation*, reference was made, where applicable, to the *GRI standards* of other sectors

***Stakeholders* whose points of view were considered**							
Customers	**End users**	**Suppliers**	**Commercial and financial partners**	**Social partners**	**Public Administration**	**Society/ community**	**Schools and universities**
		✔	✔	✔	✔	✔	
		✔	✔	✔	✔	✔	
		✔	✔	✔	✔	✔	
		✔	✔	✔	✔	✔	
✔	✔	✔	✔	✔	✔	✔	✔

Material topics	Impacts	Impact	Shareholders	*Personnel*
FISCAL RISK MANAGEMENT	Policies aiming to identify, manage and monitor the company's fiscal risk; fiscal governance and risk control model.	H	✔	✔
RAW MATERIALS	Policies and initiatives adopted by the *organisation* to reduce or optimise the consumption of raw materials, the use of recyclable materials; the design of products that use lower quantities of raw materials; the recycling of raw materials.	VH	✔	✔
ENERGY	Policies and initiatives adopted by the *organisation* to optimise and reduce energy consumption and the related impacts. Purchase of energy from renewable sources. Self-production of energy and heat recovery.	VH	✔	✔
WATER AND WATER DISCHARGE	Policies and initiatives to correctly manage water resources (withdrawals and discharges) in order to optimise, reduce consumption and reduce the impacts related to the presence of polluting substances in the water discharge.	H	✔	✔
EMISSIONS	Policies and initiatives aiming to minimise direct and indirect emissions into the atmosphere (greenhouse gas, harmful substances for the ozone and other pollutants) along the *supply chain*.	VH	✔	✔
WASTE	Policies and initiatives to guarantee correct waste management (production, treatment and disposal) and reduce quantities.	H	✔	✔
OCCUPATIONAL HEALTH AND SAFETY	Attention of the company to guaranteeing a safe and healthy working environment for all employees, collaborators and other workers in the production chain in addition to complying with statutory regulations; methods assuring the participation of employees in dialogue on safety; initiatives promoting health in and out of the workplace.	H	✔	✔
PERSONNEL DEVELOPMENT, TRAINING AND EDUCATION	Planning and implementation of training and instruction programmes to increase skills; creation of adequate career and motivation paths in the *performance* of work; individual *performance* assessments; *company reward policy; Caleffi Academy.*	H	✔	✔

Stakeholders whose points of view were considered							
Customers	End users	Suppliers	Commercial and financial partners	Social partners	Public Administration	Society/ community	Schools and universities
					✔	✔	
✔	✔	✔	✔	✔		✔	
✔	✔	✔	✔	✔		✔	
✔	✔	✔	✔	✔		✔	
✔	✔	✔	✔	✔		✔	
✔	✔	✔	✔	✔		✔	
		✔	✔	✔		✔	
						✔	✔

Material topics	Impacts	Impact	Shareholders	*Personnel*
PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES AND NON-DISCRIMINATION	Distribution of employees by gender, age, race, minority, and initiatives to protect and enhance equal opportunities.	H	✔	✔
IMPACTS ON THE LOCAL COMMUNITY	Initiatives for consulting and engaging local *stakeholders* (social cooperatives); assessment of the social impact of activities and interventions in favour of local communities; school work experience programmes; support to charities; sports sponsorships.	VH	✔	✔
CUSTOMER SATISFACTION (PROTECTION OF THE HEALTH AND SAFETY OF END USERS)	Practices adopted by the company to protect and promote the health and safety of end users (use of non-harmful materials); assessment of the potential impact of products and services on the health and safety of the end consumer; solving the customer's problems; product quality (PPM); *customer satisfaction.*	VH	✔	
PROTECTION OF *PRIVACY*	Adoption of adequate practices and tools to protect the right to *privacy.*	M	✔	✔
EMPLOYEE WELL-BEING	*Company welfare policy*; life-work balance; supplementary healthcare insurance; supplementary company agreements.	VH	✔	✔
EUROPEAN GREEN DEAL - CIRCULAR ECONOMY ACTION PLAN	Develop and sell products and services that contribute to sustainable development ("Green Taxonomy"). Projects with environmental and social impacts.	H	✔	✔

Stakeholders whose points of view were considered							
Customers	End users	Suppliers	Commercial and financial partners	Social partners	Public Administration	Society/ community	Schools and universities
						✔	
						✔	✔
✔	✔					✔	
✔	✔	✔	✔	✔	✔	✔	✔
						✔	
✔	✔	✔	✔	✔		✔	

The *UN* 2030 Agenda is a concrete challenge that can only be won if we are able to work towards a change that is cultural even before technological, aiming to improve our footprint on the environment. In defining its material topics, the *group* was inspired by the principles expressed by the *UN*.

ECONOMIC AREA

1. Direct economic value generated, distributed and not distributed

The following tables show the economic value generated directly by the *group*, the economic values distributed to the various categories of *stakeholders* and the economic value not distributed (so-called *EVG&D*). The income statement was drafted using economic and financial data drafted in compliance with the accounting standards in force in Italy, on an accruals basis. It was not deemed necessary to report the *EVG&D* at country level.

Description - kEUR		2024	2024 %	2023	2023 %	2022	2022 %
Revenues from sales and services		432,055	98.6 %	466,727	100.0 %	479,304	100.8 %
Other revenues		3,970	0.9 %	4,831	1.0 %	3,791	0.8 %
Other income and charges		5,627	1.3 %	3,330	0.7 %	1,021	0.2 %
Adjustments to income		-3,498	-0.8 %	-8,087	-1.7 %	-8,639	-1.8 %
Direct economic value generated		**438,154**	**100.0 %**	**466,802**	**100.0 %**	**475,477**	**100.0 %**
Economic value distributed	to suppliers	-249,885	-57.0 %	-259,323	-55.6 %	-282,352	-59.4 %
	to the *personnel*	-101,786	-23.2 %	-97,488	-20.9 %	-93,556	-19.7 %
	to the *personnel* for *welfare*	-1,859	-0.4 %	-750	-0.2 %	-1,355	-0.3 %
	to the *personnel* for *benefits*	-625	-0.1 %	-606	-0.1 %	-532	-0.1 %
	to the Public Administration	-19,156	-4.4 %	-30,481	-6.5 %	-26,460	-5.6 %
	to social partners	-419	-0.1 %	-389	-0.1 %	-364	-0.1 %
	to society and the community	-263	-0.1 %	-300	-0.1 %	-324	-0.1 %
	to/from commercial and financial partners	-575	-0.1 %	-90	0.0 %	-204	0.0 %
Economic value distributed		**-374,568**	**-85.5 %**	**-389,426**	**-83.4 %**	**-405,147**	**-85.2 %**
Economic value not distributed		**63,586**	**14.5 %**	**77,376**	**16.6 %**	**70,330**	**14.8 %**

2. Taxes

The *group*'s approach, described in the *Code of Ethics* of public domain, is based on full transparency and cooperation in relations with the tax authorities, the correct application of tax laws, as well as compliance with the requirements and deadlines defined therein. The *group* condemns all transactions aiming to elude the tax laws and ensures that the main fiscal laws are promptly disseminated to the *personnel* concerned, who shall be trained in relation to the main legal, accounting and fiscal notions and problems that can impact the determination of tax obligations.
The *group's* fiscal approach is defined by the Board of Directors of *Caleffi.* This approach is reviewed only if there are changes in the external regulatory framework. Each of the companies in the *group* is responsible, and therefore decides and autonomously manages the local tax aspects.
The contribution of the companies in the *group* to sustainable development occurs through the payment of the correct level of direct and indirect taxes and tax payments generated by *permanent employees* and related sectors.

The individual companies in the *group* have their own administrative structures, organised on the basis of the size of each company, overseen by a manager. The administrative manager and/or the general management of the individual companies identify and monitor tax risks and are responsible for the conformity with tax laws and strategies. The other divisions, departments or offices of the *organisation* are bound to inform the tax managers and obtain information from the departments in charge whenever they have to deal with cases that have not already been analysed or that do not comply with the internal regulations. If the regulations are updated or modified, the departments in charge of tax risk inform the other parties concerned and define new operational rules.
Any worries about the sales conduct of the *organisation* and its integrity in relation to taxation may be reported by anyone who becomes aware of them through the channels in place in their own organisation. Again in its *Code of Ethics*, the *group* has described the information channels established to allow each recipient of the *Code of Ethics* to report, directly and fully confidentially, any information or request for clarification. Furthermore, the information flows required by the Whistleblowing laws have also been activated.

The correctness of the approach of the individual companies to the tax regulations is also guaranteed through recourse to specialised consulting professionals and companies, who assist the *personnel* in charge during routine activities, in the drafting of accounts and tax calculations, in the drafting and sending of tax returns and the payment of taxes. Furthermore, the companies make avail of external auditors to *audit* the accounts according to an *audit* plan. Where requested, the tax returns are subject to external assurance.

The internal *stakeholders* most affected by tax management are: shareholders and the *personnel*. In particular, the executive *personnel* are concerned by the correct application of the law, and act as guarantors thereof. All the *personnel* are concerned by the correct application of tax laws in the management of wages and salaries. Suppliers are concerned by the correct application of VAT and withholding taxes. The Public Administration is concerned by the fact that the *organisation* pays the amounts due. Society/the community benefits from the taxes and charges paid directly by the *organisation*.
Information is collected from the various *stakeholders* in the methods described in the paragraph *STAKEHOLDERS* AND COMMUNICATION CHANNELS.

For each of the fiscal jurisdictions in which the companies included in the consolidated financial statements are resident, the following information is provided. In compliance with the provisions of the GRI, the values refer only to 2023, i.e., the year relating to the most recently approved and audited (where applicable) financial statements for each of the consolidated companies.

Tax Year 2023

Fiscal Jurisdiction	Name of resident company	Main activity of the *organisation*	Number of employees
Italy	Caleffi S.p.A.; Pressco S.p.A.; RDZ S.p.A.; Cristina S.r.l.	Production and distribution	1,143
Australia	All Valve Industries Pty Ltd.; Radiant Heating and Cooling Solutions Pty Ltd.; Ekinex Australia Pty Ltd.	Distribution	18
Belgium	Caleffi International N.V.	Distribution	7
Brazil	Caleffi Brasil Importação, Exportação, Comércio e Serviços em Comp.Hidrotér. EIRELI	Distribution	5
France	Caleffi France E.U.R.L.	Agency	13
Germany	Caleffi Armaturen Gmbh	Distribution	33
Ireland	Altecnic Ltd.	Distribution	1
The Netherlands	Caleffi International N.V.	Distribution/ sub-holding	13
Poland	Caleffi Poland Sp. Zo.o	Distribution	25
Portugal	Caleffi Componentes Hidrotermicos Lda.	Distribution	18
United Kingdom	Altecnic Ltd.	Distribution	107
Slovenia	Caleffi Hidrotermika d.o.o.	Distribution/ agency	17
United States of America	Caleffi North America Inc.	Distribution	53
Turkey	Caleffi Isitma Sogutma Sistemleri Anonim Sirketi	Distribution	14
Total			**1,467**

Revenues (kEUR)	Pre-tax Profit/ (Loss) (kEUR)	Material assets other than cash and other equivalent resources (kEUR)	Taxes paid (kEUR)	Income tax indicated in the income statement (kEUR)	Reasons for differences between tax paid and taxes entered in the income statement
387,364	99,994	109,130	29,327	23,016	Time differences; tax relief; non-deductible charges; non-taxed income.
16,461	2,306	7,824	371	605	Time differences; tax relief; non-deductible charges; non-taxed income.
4,732	75	0	0	22	
10,150	1,894	35	111	0	
0	41	138	33	17	
28,388	3,011	2,725	819	878	
3,300	164	0	0	0	
8,513	920	1,181	263	212	
26,047	-3,225	3,196	0	0	
8,023	1,233	1,836	324	282	
58,483	4,175	25,835	575	1,093	Time differences; tax relief; non-deductible charges; non-taxed income.
4,500	-406	293	6	0	
48,569	6,912	7,589	1,660	1,914	Time differences; tax relief; non-deductible charges; non-taxed income.
78,437	-11,680	434	0	0	
	105,414	**160,216**	**33,489**	**28,039**	

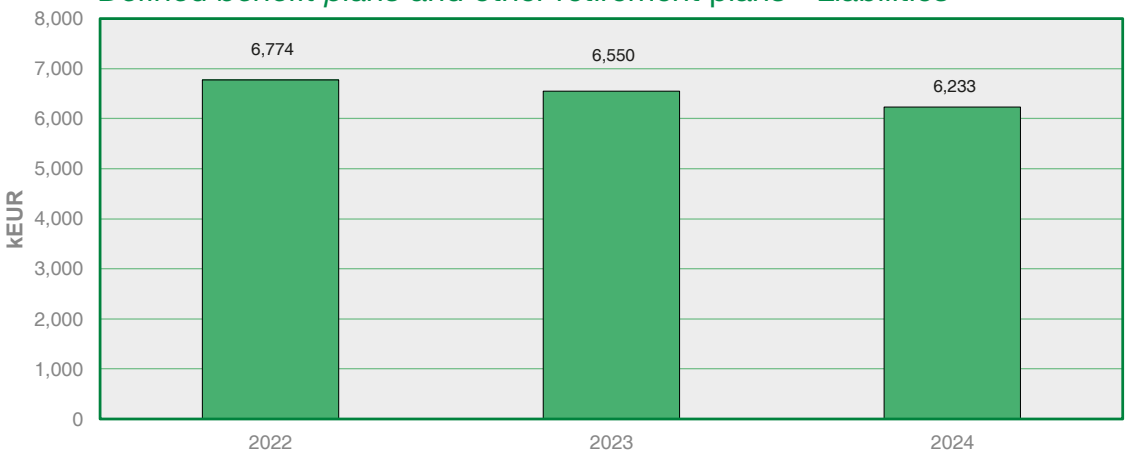
3. Financial implications and other risks and opportunities due to climate change

For the *group*, climate change is both a risk factor and an opportunity. The *group* works in sectors that benefit positively from the drive for change generated by the desire of countries, organisations and people to help reduce their environmental impacts. For example, the efforts made to reduce CO_2 emissions into the atmosphere by using less fossil fuel for heating the buildings. The various entities in the *organisation* work constantly to introduce products moving in this direction to the market. In the same way, the departments working on the research and development of new products, as well as the departments working in the design and implementation of production processes, take care to reduce the consumption of resources and raw materials, inspired also by the principles of the circular economy. In terms of risk, it is noted how the phenomena linked to climate change can impact production activities: water shortages could slow down or even stop production; the exceptional atmospheric events we have seen, including extreme temperatures, floods, storms and fires, could more or less significantly affect the production plants and the *stakeholders*.

4. *Defined benefit plans* and other retirement plans

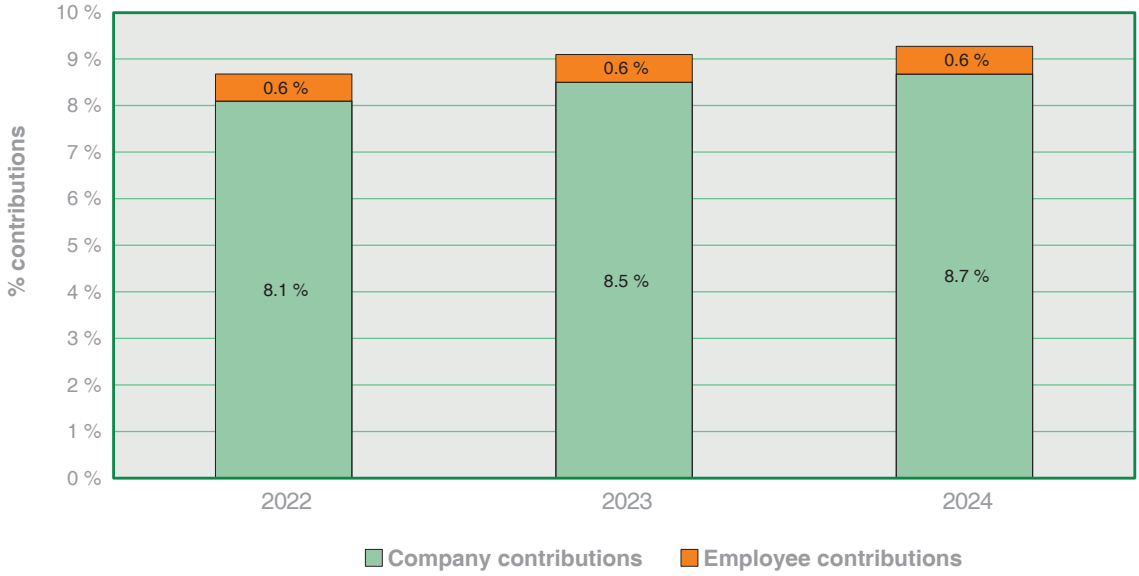
The graph below expresses the liabilities, at 31 December of each year, deriving from the commitments to the defined *benefit* plans and other retirement plans.

Defined benefit plans and other retirement plans - Liabilities



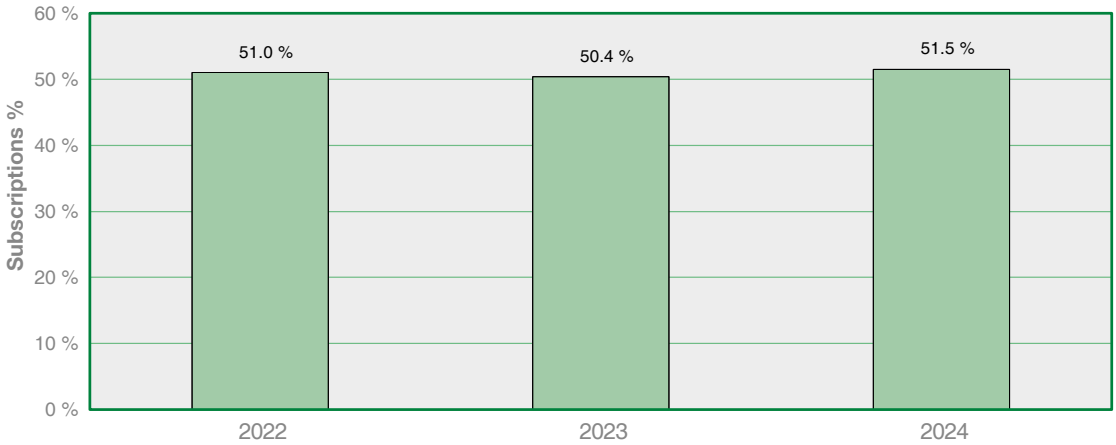
These liabilities relate mainly to the *Employee Severance Pay* for the companies under Italian law. The law on *Employee Severance Pay* applies to all employees of Italian companies. No assets were entered in the financial statements. The entered *Employee Severance Pay* represents the effective debt accrued towards employees in compliance with the law and the labour agreements in force. As from 1 January 2007, where applicable, the amounts accrued were paid into complementary pension funds. On average, the workers of the Italian companies, which represent the majority of the *permament employees* of the *group*, and the employer contributed to the *defined benefit plans* as follows:

Contribution to *employee benefit plans in* Italian companies



The detail of employees of Italian companies who have signed up to voluntary supplementary pension schemes is given below:

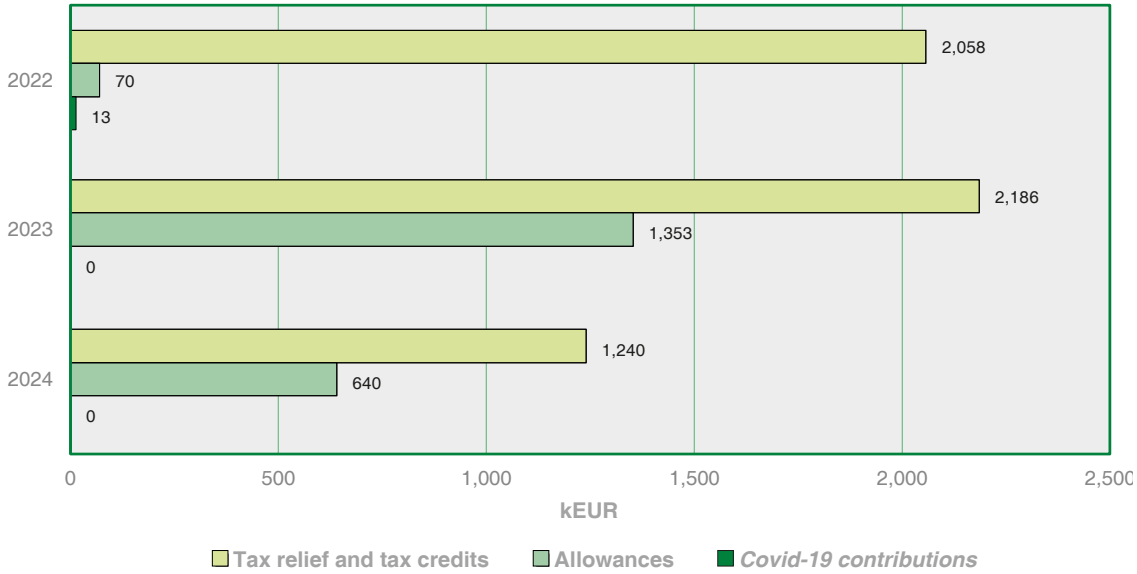
Subscription of employees of Italian companies in supplementary pension schemes



5. Financial assistance received

The monetary value of the financial assistance received during the reporting period from any government was as follows:

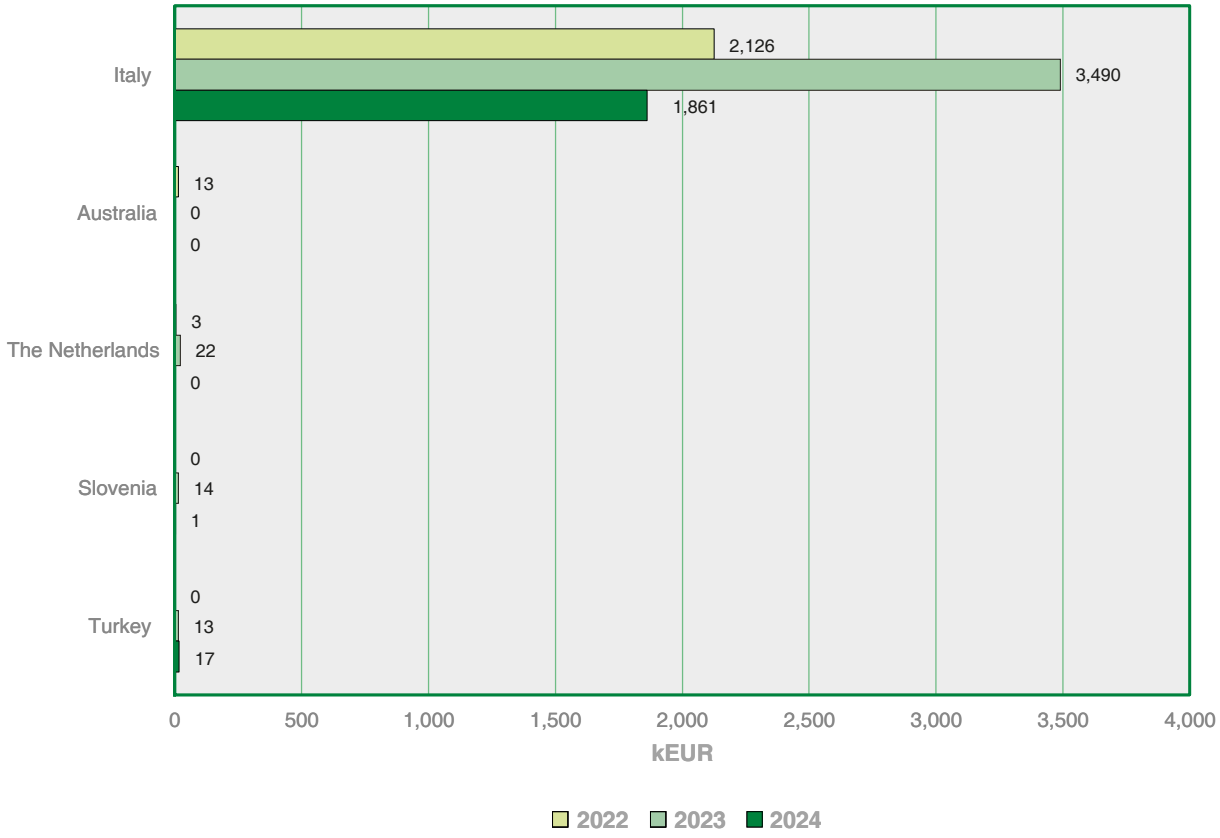
Financial assistance received



In the three-year period, the Italian companies in the *group* benefited significantly from the tax credits provided for in the tax laws in relation to new investments and *Industry 4.0*. In 2024 *Caleffi* received the second tranche of an operating grant for an innovation project governed by a call for applications by the Ministry of Economic Development (now Ministry for Industry and Made in Italy) dated 05/03/2018: the so-called “Shuilì project”.

The financial assistance received by country of residence of the companies in the *group* was as follows:

Financial assistance received by country



Most of the financial assistance received concerned the Italian companies. The *group* has a strong presence in Italy with its companies, plants and *personnel*. The *group* is the expression of a private Italian business reality. No government is involved in the shareholding structure of the *parent company* or its subsidiaries.

6. *European Green Deal - Circular Economy Action Plan*

OBIETTIVI PER LO SVILUPPO SOSTENIBILE

One of the main efforts in which everyone is engaging concerns the protection of the environment. The *UN* 2030 Agenda and the *European Green Deal* are concrete challenges that can only be won if we are able to work towards a change that is cultural even before technological, aiming to improve our footprint on the environment.
With this in mind, and always attentive and sensitive to these topics, we want to generate positive impacts: on our environment, our local community and our economy.
We have always believed that innovation represents a major driver of cultural, environmental, social and economic growth, and in this perspective the *CUBOROSSO* was designed and built. Since 2008, this has represented the heart of our studies and research, especially for products linked to alternative energies and the reduction of consumptions, for which a specific laboratory was set up.
Our environmental commitment goes beyond our products, embracing all aspects of our day-to-day activities.

We have improved the available technologies, introducing systems used to recover and reuse cutting fluids and foster energy savings. Scraps of brass, the raw material most used in the production processes, have always been sent to drawing mills to be turned into bars and billets to be reused, feeding a continuous cycle of re-use. Any newly purchased brass bars also derive mainly from the casting of scraps. This virtuous production cycle minimises the use of newly extracted metals.
Furthermore, in recent years, in the *HVAC & Plumbing* sector we have chosen to increase the use of brass with low lead content.
Required initially by law in some countries that made it mandatory for domestic water applications, today it represents and increasingly large quantity of our production processes. Being one step ahead allows us to be ready to cope with any European legislation in future.
At the same time, 98 % of the scraps of the plastics used in the production processes are recovered and turned into bodies or components of durable finished products.
In recent years, actions have been taken to recover 100 % of incoming polyethylene packagings, which are sent to specialised suppliers for recycling. At the same time, the amount of polyurethane used in the packagings has been reduced and replaced with other ecological materials (e.g., paper and cardboard). To further improve the sustainability of our packagings, a specific company function has been set up to identify alternative solutions to polyethylene, where possible.

We have sought to intervene in many areas of our activities, introducing some 100% electric vehicles to our fleet alongside other hybrid vehicles.

In our offices, we mainly use recycled paper which, along with the paper and cardboard packagings of the products we purchase, is sent for recycling.

Again with regard to the packagings, additional contents that today we deem essential have been progressively added to our product packages: disposal instructions. In fact, we are confident that being more transparent can help to dispose of waste incorrectly and not to be lazy about following disposal instructions.
All products packaged in disposable plastics have for some time been eliminated from the catering areas in many plants.

Similarly, we are acting in the *Kitchen & Bath* sector: the same guiding principles, the same responsibility and striving for coherence in the *group* have led to concrete actions focusing on packaging, industrial waste management, the reduction of consumption, energy efficiency in the plants, attention to workers and sustainable improvements.

7. Supplier management, *procurement* practices, supplier environmental assessment, supplier social assessment

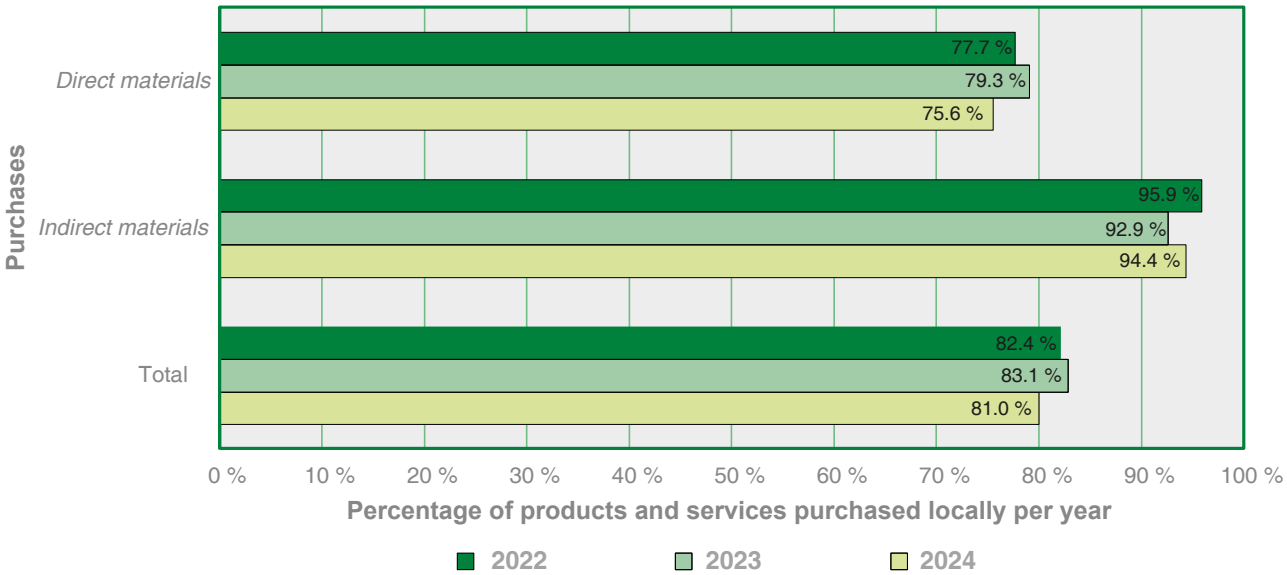
In the last few years, the strategic importance of the *procurement* chain in the management of the business has been further marked by a series of events, including: significant increases in costs, particularly of raw materials and energy; sourcing difficulties due to shortages of materials, such as microchips; longer delivery times due to logistics problems, such as the criticalities linked to the Suez Canal and, last but not least, geopolitical tensions.

The *group* has always assured a central role to its procurement function and the management of its suppliers, working to build and maintain partnerships based on trust, pursuing the primary and fundamental objective of enhancing the local districts and community, assuring loyal, sustainable long-term relations, in addition to pursuing economic efficiency through cooperation and constant dialogue between the parties. Cooperation with suppliers is also a fundamental tool for improving business competitiveness and creating value for customers while guaranteeing high quality standards.

Sharing these goals, also through periodic meetings for agreeing on issues, exchanging ideas and information, identifying solutions to any operational problems arising, has in recent years allowed us to extend our best practices to the other companies in the *group* and strengthen a united vision.

The enhancement of the local districts and assuring loyal, sustainable long-term relations with suppliers allows us to manage *business continuity* with a strategic long-term vision, rather than an exclusively emergency-based approach, guaranteeing the following results:

Percentage of products and services purchased locally



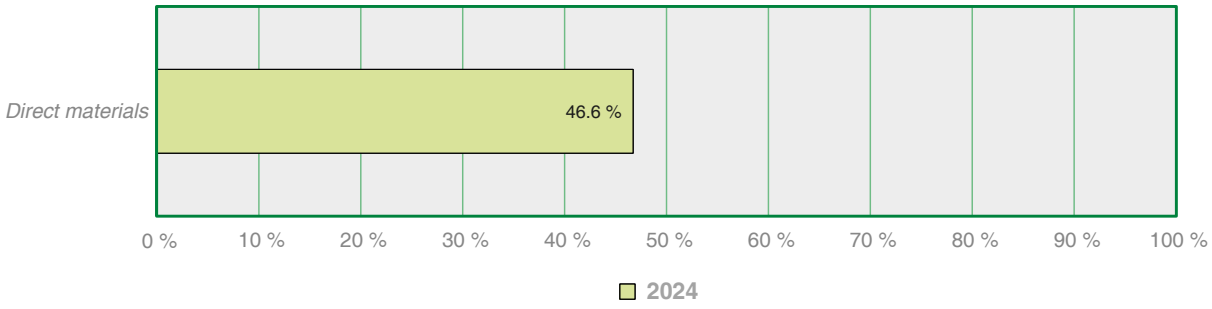
The *group's* choice to enhance the local community maintained percentage values in line with previous years also in 2024. More than 80 % of materials are procured from "local" suppliers: specifically, over 75 % of *direct materials* and around 94 % of *indirect materials* are sourced from local suppliers.

The *group* considers all suppliers with headquarters in the country where each company has its headquarters as "local".
The *direct material* purchases category includes all goods strictly linked to the manufacture of our finished products, while *indirect materials* include all other goods and services.

For its *direct materials*, the *group* authorises only the use of materials that have been validated in technical and quality terms and come from suppliers assessed in terms of financial, environmental and social reliability. The *organisation* periodically performs *audits* on the products and processes of its suppliers. From 2024, the *group* has been implementing a tool, through an external supplier, based on environmental, social and governance sustainability criteria and parameters, to assess and monitor over 400 strategic suppliers.

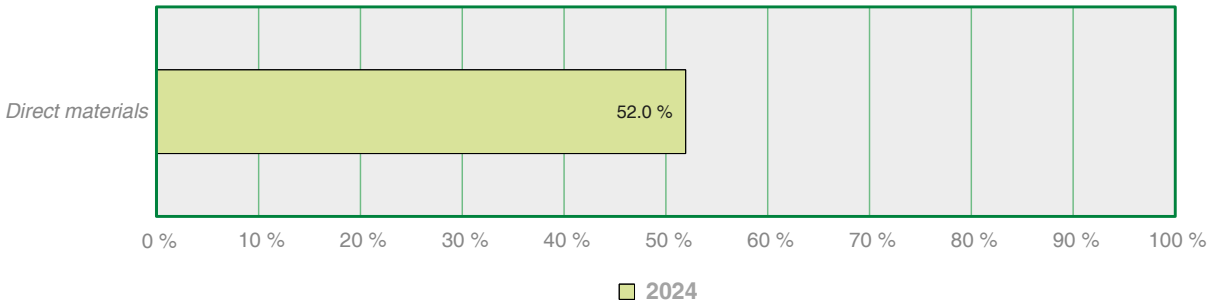
The percentage of suppliers of *direct materials* also assessed on the basis of environmental criteria is given below.

Suppliers assessed for environmental impacts



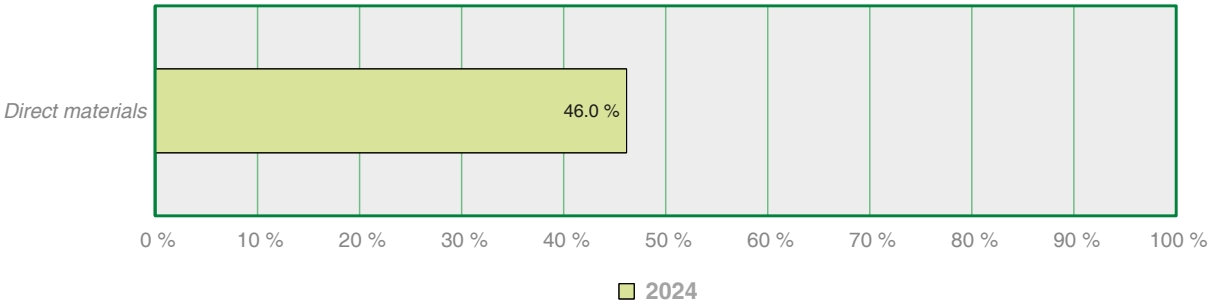
With new procedures and assessment questionnaires, the data for 2024 relating to the selection of new suppliers on the basis of environmental criteria show how sustainability goals are an important parameter in the selection of commercial partners.

New suppliers selected according to environmental criteria



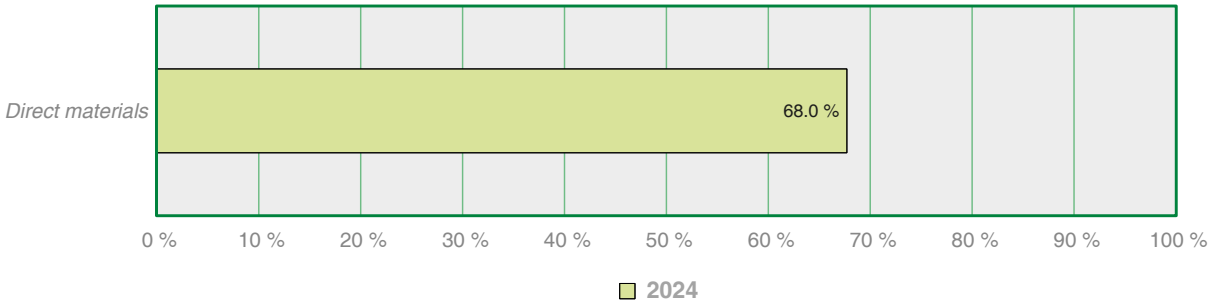
The percentage of suppliers of *direct materials* also assessed on the basis of social criteria is given below.

Suppliers assessed for social impacts



Similarly to the environmental criteria, the 2024 data relating to the assessment of new suppliers on the basis of social criteria underline the attention to business sustainability objectives.

New suppliers selected according to social criteria



Purchases of *direct materials* are a major part of the *group*'s annual purchasing expenditure.

Monitoring the *performance* and risks linked to the environmental, social and governance sustainability of its *direct materials* suppliers is fundamental for ensuring the *business continuity* of the *group*, as well as for analysing the quality of service and materials.

Also for its *indirect materials*, the *group* authorises only the use of goods and services that have been validated internally and which come, according to the type of goods and related risk, from suppliers assessed in terms of financial, environmental and social reliability.

In 2024, the assessment and monitoring service, based on environmental, social and governance sustainability criteria and parameters, was also used in a test phase for some *indirect materials suppliers*.
To combine competitiveness and sustainability in the purchasing process, we have set the goal of introducing a sustainable supplier management system in order to reduce environmental, social and economic impacts “upstream” in the purchase of goods and services. In particular, it is planned to increase the number of supplier *audits* for *direct materials*, by both *group personnel* and/or external companies, to verify and monitor *performance,* identifying some specific *ESG* KPIs. For *indirect materials,* we aim to increase the number of suppliers subject to environmental, social and governance assessment, both through external suppliers and through internal *audits* and questionnaires.

8. Ethics

Anti-corruption communication and training

We believe that work ethics are one of our strengths. We are convinced that working in compliance with the laws and regulations is an added value and a competitive advantage. Over time we have devoted many hours of training to both executive and operational *personnel* in relation to anti-corruptions procedures. In the last two years, we trained over 300 people in anti-corruption, focusing above all on those persons who, considering their role, could be involved in these phenomena. But our efforts do not stop here: we want to continue to spread an ethical culture and wish to deliver this training to as many people as possible.

Confirmed incidents of corruption and actions taken

No episodes of corruption have ever been recorded in any of the companies in the *group*, demonstrating to validity of the procedures in place and, above all, the integrity of our *personnel*.

Whistleblowing or anonymous reports

In the Italian companies in the *group*, an anonymous breach reporting mechanism is in place, as provided for by the *Organisational Model* adopted pursuant to *Italian Legislative Decree no. 231/01.*

From July 2023, the *parent company*, in compliance with the provisions of Italian Legislative Decree no. 24/23 “Whistleblowing”, has made available to all the *business partners* holding relations with our company an additional breach reporting system, through a specific, protected portal guaranteeing full confidentiality to both whistleblowers and those reported, managed by the Supervisory Body.

From December 2023, a similar system was also adopted in the other Italian companies.

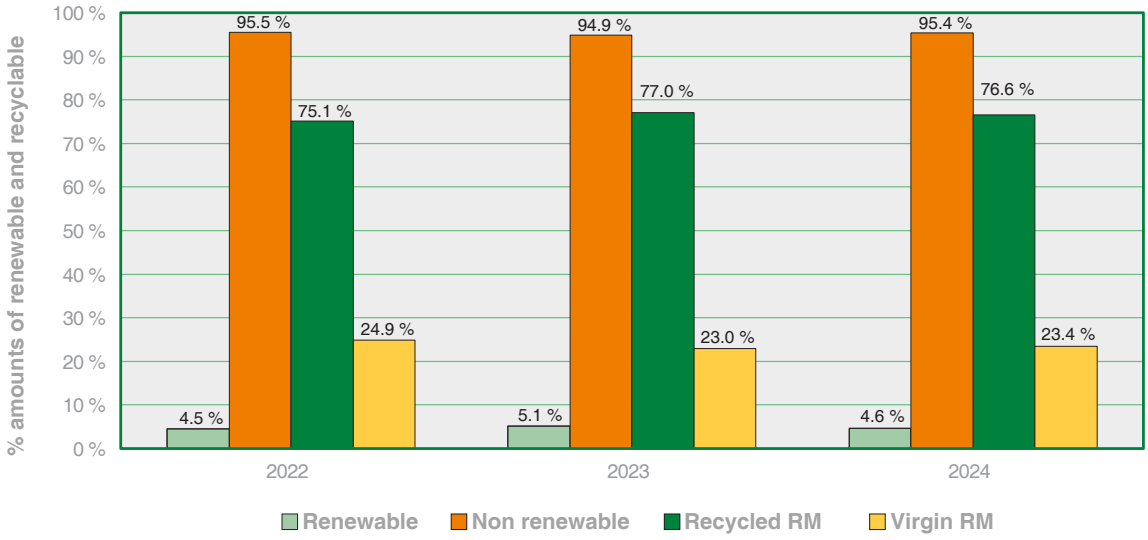
Caleffi and the other companies in the *group* have received no reports from the Supervisory Bodies about any whistleblowing or reports of breaches of the *Organisational* Model or other offences concerning the *group*.

ENVIRONMENTAL AREA

1. Raw materials

We believe that the sustainability of a product starts right from the choice of its raw materials, paying attention to both their origin and the possibility to reuse or recycle them.
We use mainly metals and other materials which, by nature, are not renewable but, as they are easily recyclable, come significantly from recycling chains.

Renewability and recyclability of the raw materials used

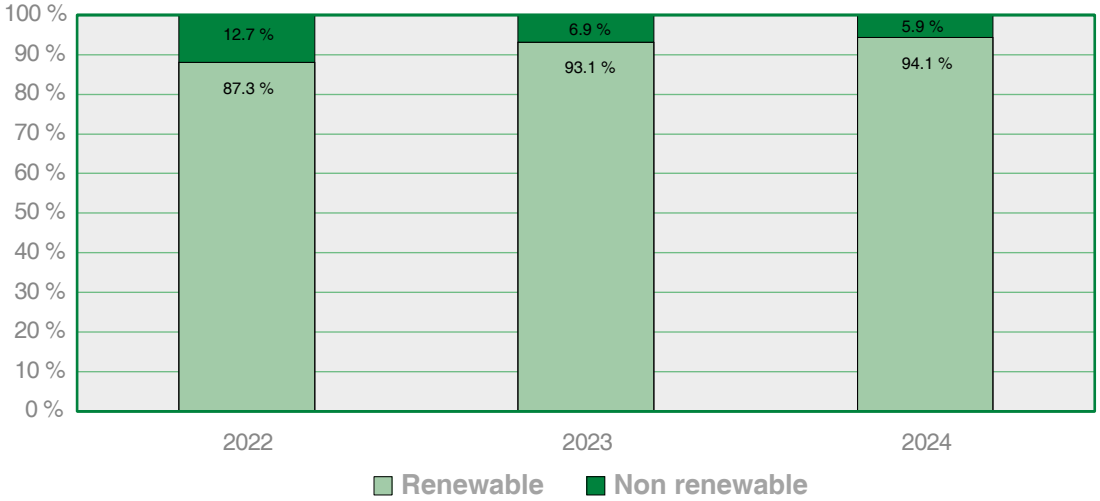


For this purpose, having recovered the cutting fluids (which are returned to the production processes), we send the processing scrap to the drawing mills to be re-transformed and over into brass bars, in a continuous material recycling process, for which there is no physical limit to the number of recycling cycles.

	2024 kg	2023 kg	2022 kg
Renewable raw materials	972,813	1,057,177	1,187,667
Non-renewable raw materials	20,169,124	19,640,242	25,385,977
Virgin raw materials	4,952,659	4,750,178	4,699,333
Recycled raw materials	16,189,278	15,947,241	14,193,471

Equally, our articles, made mostly of metal, can be recycled infinitely, as can some articles in plastic, delivered to recycling firms. All this helps us to consume fewer natural resources.
We also pay close attention to our product packaging, and prefer to use packagings made from renewable materials, the share of which continues to increase over time.

Packaging renewability



These packagings can in turn be re-used again and easily recycled. At the same time, we continue to replace polyurethane foam packagings with other types of paper and cardboard that not only protect the products during transport but also ensure greater sustainability. Today we have well exceeded around 70 % of this activity. The reduction in non-renewable packaging materials also bears witness to another action undertaken in 2024: research into increasingly sustainable materials led us to choose a plastic film for shipping pallets made from 30 % recycled plastic, with reduced thickness (from 23 to 15 microns) with clear advantages in terms of efficient management, weight and transportation.

In order to promote correct information for all *stakeholders*, every package leaving the *Caleffi* plants include a QR Code that links to an information web page that provides all the information currently available information on the correct disposal of our packagings.

https://packaging.caleffi.com/

We have also engaged our suppliers to ensure that all our products comply with the provisions of the *REACH Regulation* (1907/06), even though, by nature, they cannot intentionally release substances during normal use.

The companies in the *group* that produce goods classifiable as electronic and electrical equipment have joined specific consortia to promote their end-of-life recovery.

2. Energy

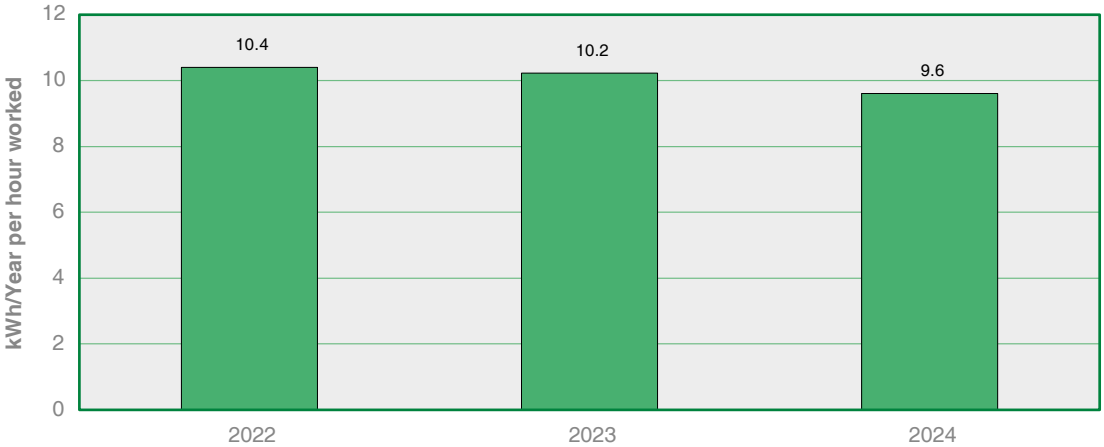
We consider energy consumption aspects to be of huge importance. Close attention is paid above all in the *group's* Italian production sites, which also fall within the scope of application of *Italian Legislative Decree 102/14*.
By conducting specific energy studies, in the last few years we have made some significant improvements, as already mentioned, by installing photovoltaic systems, replacing lights with LED technology, recovering the heat produced by the compressor stations, replacing refrigeration systems and other less efficient systems.

It is reported that in 2024 the start of operation of a photovoltaic system already installed on the site in Gattico-Veruno, with a potential of 1 MWh (estimated total annual production 1,000 MWh), covers around 15 % of the site's consumption of electricity. Furthermore, photovoltaic panels were installed in the US branch, leading to a production of around 100,000 kWh.

Electrical consumption
Our production processes and ancillary activities, mainly located in Italy, use a lot of electrical energy, most of which comes from the national grid. Having always paid attention to these aspects, we have introduced major improvements in our processes and systems with a view to rationalising energy consumption. In compliance with the provisions of GRI 302, the consumption of electricity was transformed into GJ applying a physical constant for which 1 kWh is equivalent to 0.0036 GJ.

	2024	2023	2022
Electrical energy in kWh	26,003,739	25,709,433	29,213,618
Electrical energy in GJ	93,613	92,554	105,163

Consumption of electricity per hours worked



Some sites of the *group* increased the share of self-produced energy by installing or extending their photovoltaic systems, as part of broader plans to extend and/or retrofit the factory roofs. Although it is not possible to achieve "energy self-sufficiency" everywhere, we strive constantly to increase the share of self-produced energy. 2024 recorded growth far exceeding 100 % of the share of energy from photovoltaic systems, especially in the Gattico-Veruno plant, where a system with a nominal capacity of 1 MWh was installed. We also plan to increase the share of self-produced energy, installing new systems through planned extensions. We expect to further increase these figures in the near future, installing new photovoltaic systems in the English, German and Polish branches, for an estimated total capacity of over 120 kWh.
The same constant used to transform kWh into GJ was also applied to self-produced energy.

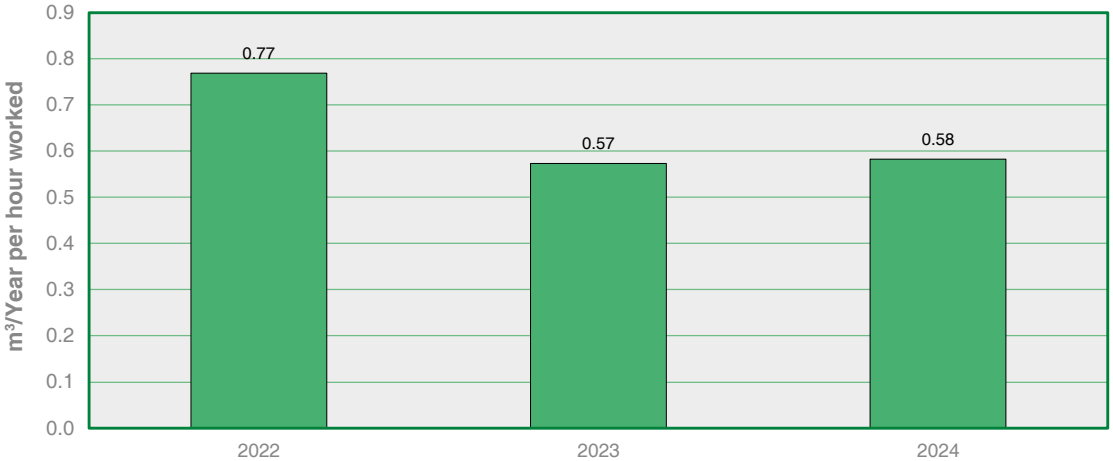
	2024	2023	2022
Self-produced energy in kWh	914,473	370,555	196,727
Self-produced energy in GJ	3,292	1,334	708

Methane gas

The *group* consumes methane gas mainly to heat buildings and, only minimally, for production purposes. We think that the comfort of our *personnel* in the workplace must go hand in hand with the increased energy efficiency of our production facilities. This is why we have worked to improve our facilities and systems, in order to reduce methane gas needs. Increased energy efficiency was also achieved by replacing the heating systems and installing more modern boilers. The total thermal energy was calculated by considering the conversion factor indicated by *DEFRA*. The methane gas consumption for heating needs is affected by the climatic conditions. Gas consumption is higher in harsher winters.

Methane gas	2024	2023	2022
m^3/year	1,565,438	1,441,627	1,799,093
Conversion factor	0.040239	0.040094	0.040094
GJ/year	62,992	57,801	72,133

Consumption of methane per hours worked



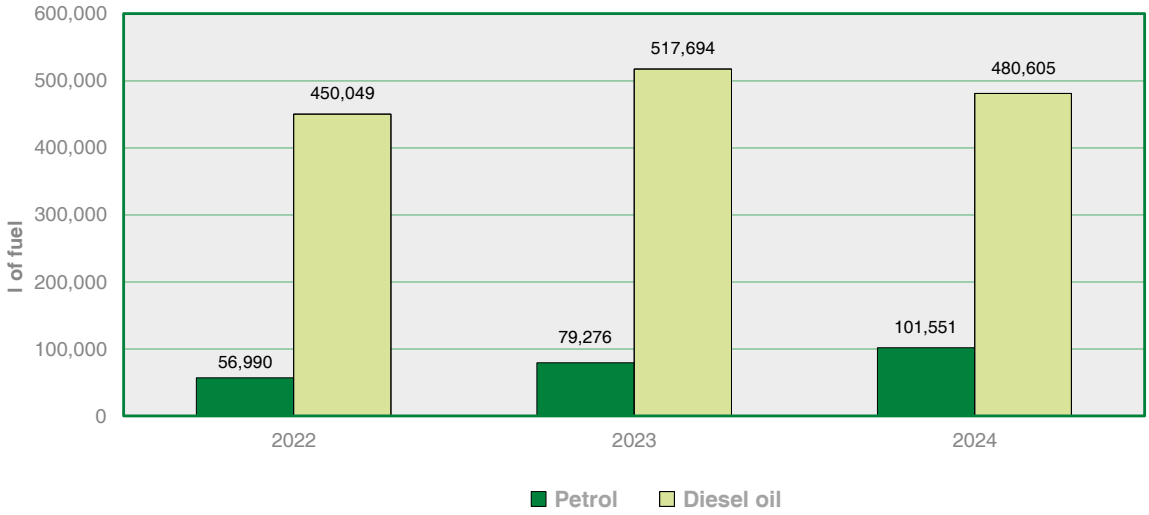
Fuels

The *group*'s vehicle fleet includes mainly diesel-powered vehicles, used to transport materials, people and to perform technical and commercial activities. Petrol consumption on the other hand refers mainly to hybrid vehicles.

To convert the amounts of fuel used into GJ, the average energy contained in a litre of petrol and diesel oil were considered using the conversion factors provided by *DEFRA*.

	2024	2023	2022
Litres of Petrol	101,551	79,276	56,990
Litres of Diesel	480,605	517,694	450,049
GJ of Petrol	3,558	2,700	1,941
GJ of Diesel	18,187	19,580	17,021
Conversion factor petrol	0.035034	0.034062	0.034062
Conversion factor diesel	0.037841	0.037821	0.037821

Consumption of fuels for motor vehicles

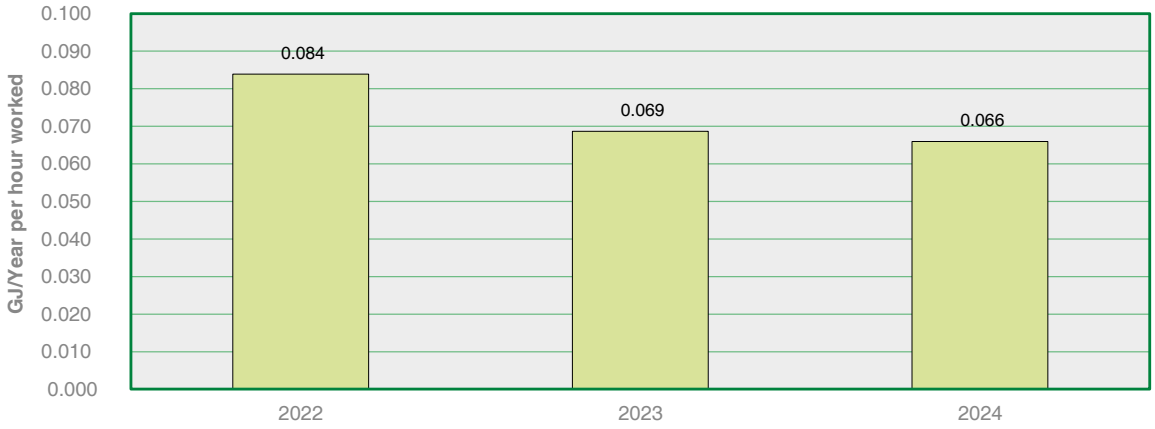


To seek to limit the impacts of the circulation of its vehicle fleet, some totally electric commercial vehicles and some hybrid cars were purchased for use. In future we plan to increase the use of this type of vehicle, compatibly with their intended use. The company vehicle fleet was also selected on the basis of its *CO_2 emissions*.

Energy intensity

Overall, the *group* stabilised its total consumption of electrical energy used for heating and fuel consumption, also in relation to the number of hours worked.

Energy intensity ratio



3. Water and water discharge

We use water mainly for civil and production purposes. In the first case, withdrawals are mainly from the mains system and, also thanks to optimisations and reorganisations, over time this has dropped despite the increase in *personnel*.

The production processes use water particularly for technological uses such as cutting, washing and galvanic treatment. These activities exploit much of the resources from the independent capture of non-potable water, also used to supply the toilets in the main site of the *parent company*.
Only negligible quantities come from surface waters.

Water discharges from the bathrooms flow into the mains drains and are subject to purification. These drains are not by nature accounted for, while the quantities of outgoing processing wastes, managed as liquid waste, are recorded. They are delivered to specifically authorised companies that subject them to chemical and physical treatment.

Aware of the extreme importance of this resource, we have identified all the internal areas that use water, preferring where possible to use non-potable water for uses other than human consumption.

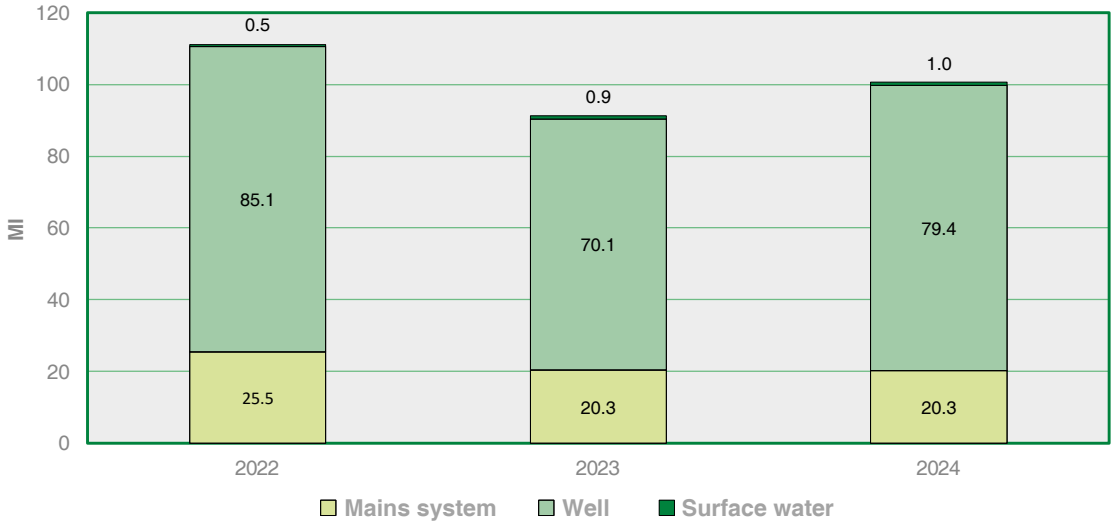
Over the years, this has led us to replace some cleaning systems with others that do not use water in their process; we have also introduced some systems which recover part of the water used in the cutting processes.

Moreover, at the site of the *parent company* which, due to its size and activities is certainly the one that uses most water, the demineralisation of the water used in the production processes has been optimised, saving around 14 % of water withdrawn from wells for this use.

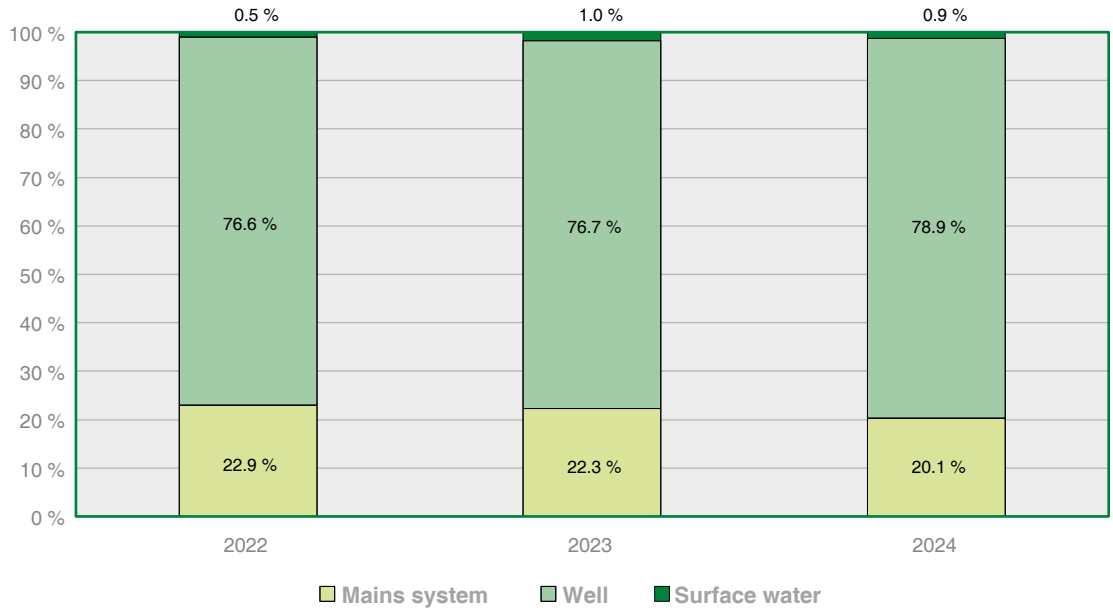
For some time now we have also been using water for geothermal purposes. The water withdrawn for these purposes is returned to the water table without compromising the characteristics of either the table or the water. The data relating to this major factor are given in megalitres.

The increase in water withdrawn from wells in 2024 relates to the consolidation for the whole year of the data of *Fratelli Creola*, which joined the *group* only in the second half of 2023.

Water procurement

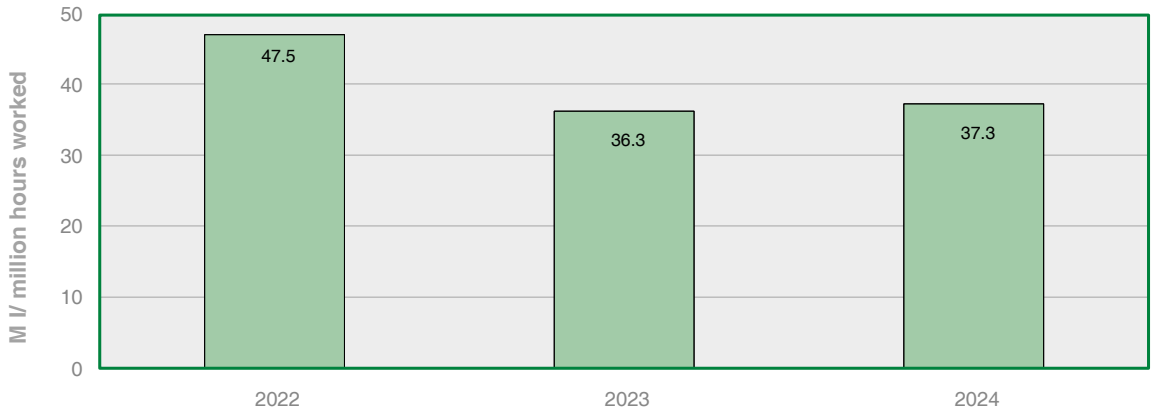


Composition of water procurement



Demonstrating the effectiveness of the actions undertaken, the following graph shows how the widespread efforts in recent years have led to an overall rationalisation of consumption in relation to the increase in hours worked. In fact, over the years *Cristina* has significantly reduced the use of well water, used in galvanic treatments, following a study to reuse the process water. The slight increase in the last year is due to the entry into production of a new galvanic system, larger than the previous one, at the *Cristina* plant.

Water consumption per hours worked



4. Emissions

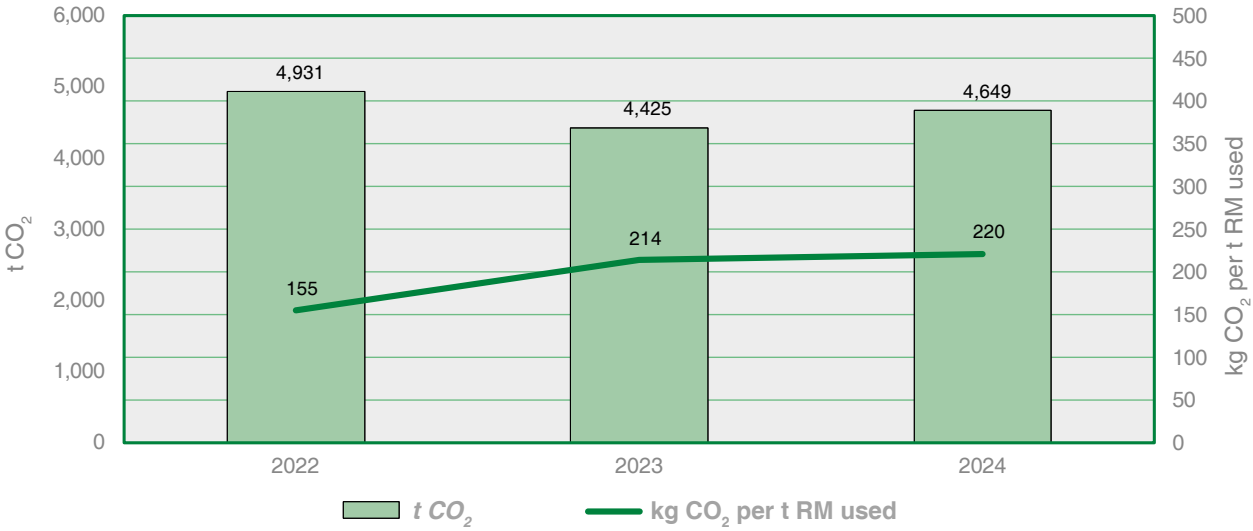
Emissions into the atmosphere originate mainly in the production plants where mechanical processing is performed, including the removal of material, moulding, washing, surface and galvanic treatments and those produced by the heating plants. By their nature, as defined in the applicable regulations, these emissions are considered to have low atmospheric pollution. Our flues are monitored over time and it is reported that the emission concentration of any pollutants is far below the set limits.
The mainly commercial premises contribute only minimally to the emissions into the atmosphere.

Aiming to investigate its *Scope 1 CO_2 emissions*, deriving from the use of methane gas and the circulation of company vehicles, we recorded a significant reduction compared to the first year of observation. The subsequent increase relates particularly to a greater consumption of methane gas, due to a colder winter; there was also an increase in petrol consumption and a reduction in diesel consumption, due to the introduction of electric and hybrid vehicles which partly replaced diesel vehicles. This led to the increase in *Scope 1 CO_2 emissions*, in both absolute and relative terms. The related consumptions were calculated in relation to the quantities of raw material processed. The following conversion factors used were again taken from the data issued by *DEFRA*:

SOURCE	Kg CO_2 per unit of energy 2024	Kg CO_2 per unit of energy 2023
Methane gas	2.045420000	2.038390310
Petrol	2.353720000	2.345025346
Diesel	2.512790000	2.512063885

The trends of the last year can be explained on one hand by the quantities of raw materials processed and, on the other, the increase in fuel consumption, around one quarter of which affects *Scope 1 CO_2 emissions*.

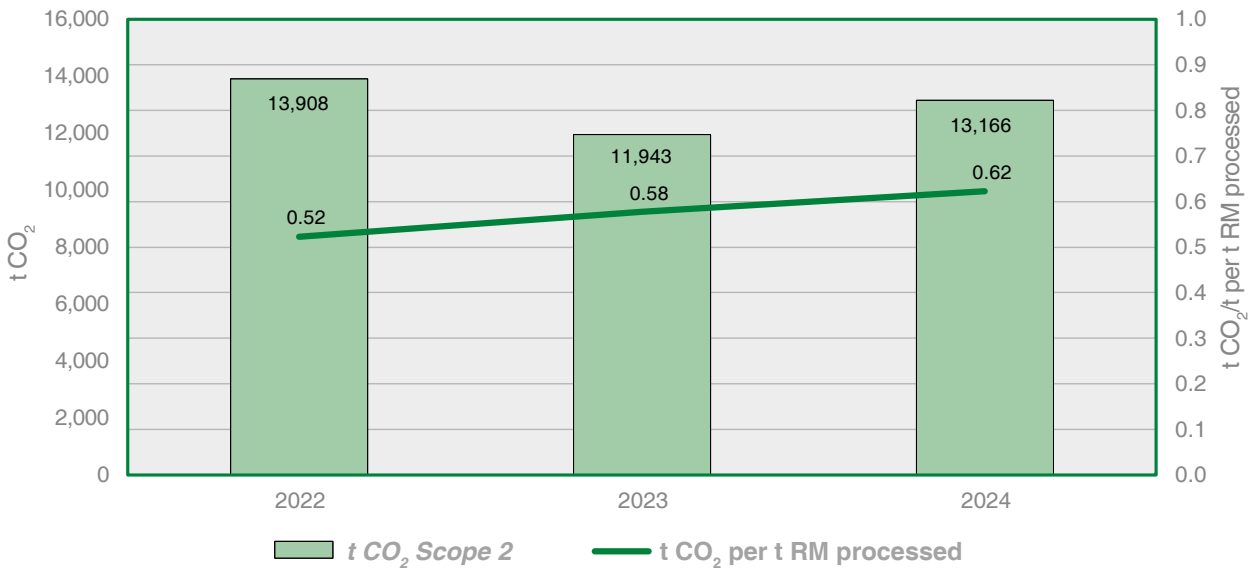
Scope *1* CO_2



The *Scope 2 CO_2 emissions*, those deriving from the generation of purchased energy, underline in absolute terms a stabilisation due basically to the slight reduction in the energy component supplied from renewable sources. This data must be weighted by the volumes produced, which, in the three years considered, recorded the same trends. Related to the tonnes of raw materials processed, the *Scope 2 CO_2 emissions* are on the increase compared to 2022, but are down on the previous year. To calculate these emissions, for each country, we considered the conversion factor provided by the selected local government bodies (e.g. ARPA), or by suppliers. The following table gives a detail of the conversion factors for each year.

***Location based CO_2 Scope 2* emissions**				
Geographical location	**Company**	**2024**	**2023**	**2022**
Italy	Caleffi S.p.A.	0.3070	0.2679	0.3100
Italy	Pressco S.p.A.	0.3070	0.2679	0.3100
Italy	Fratelli Creola S.r.l.	0.3070	0.2679	not applicable
Italy	RDZ S.p.A.	0.3070	0.2679	0.3100
Italy	Cristina S.r.l.	0.3070	0.2679	0.3100
Germany	Caleffi Armaturen Gmbh	324.0000	377.0000	350.0000
Portugal	Caleffi Componentes Hidrotermicos Lda.	0.0000	0.0000	0.0000
The Netherlands	Caleffi International N.V.	103.3000	152.9000	152.9000
United Kingdom	Altecnic Ltd.	0.2071	0.2071	0.1934
United States of America	Caleffi North America Inc.	0.0004	0.0004	0.0004
Slovenia	Caleffi Hidrotermika d.o.o.	0.0005	0.0005	0.0005
France	Caleffi France E.U.R.L.	11.2300	11.2300	11.2300
Australia	All Valve Industries Pty Ltd.	500.0000	500.0000	500.0000
Brazil	Caleffi Brasil Importação, Exportação, Comércio e Serviços em Comp. Hidrotér. EIRELI	102.0000	102.0000	102.0000
Poland	Caleffi Poland Sp. Zo.o	597.0000	685.0000	685.0000
Turkey	Caleffi Isitma Sogutma Sistemleri Anonim Sirketi	0.4390	0.4390	0.4390

Scope 2 CO_2



In order to improve our *performance*, we are continuing to analyse our *carbon footprint* according to international standards.

5. Waste

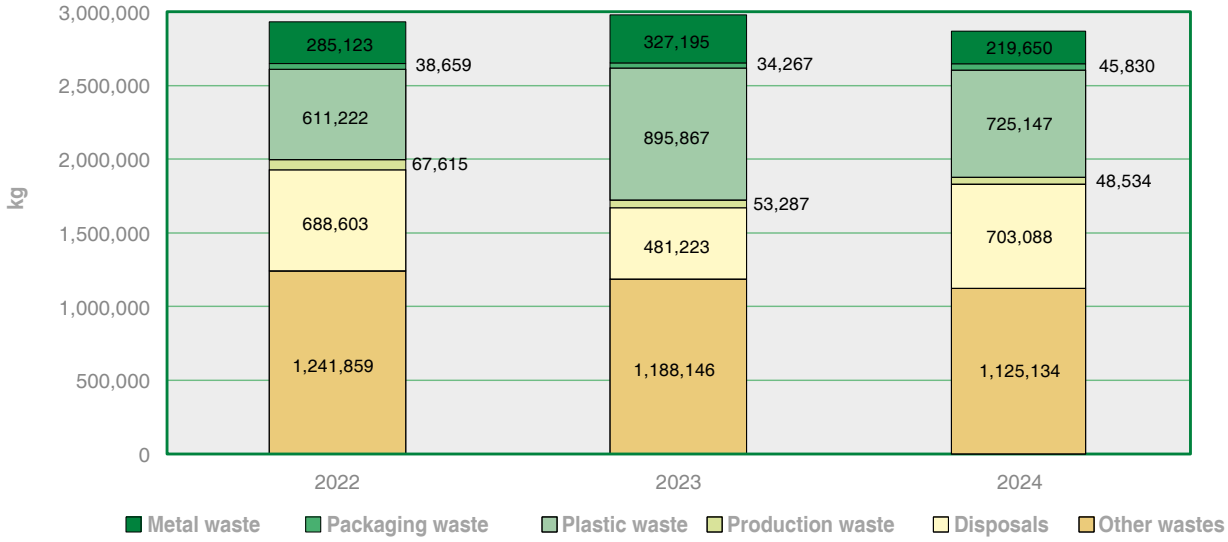
Wastes originating from our activities consist mainly of residues of our raw materials (especially metals and plastic materials) and process residues. To reduce the generation of these wastes, and promote circular processes, we have organised our activities so that materials and auxiliary production materials (e.g. mineral oils) are recovered and reused in-house. For this purpose, special plants have been installed which separate cutting residues from the metal grinding processes so that they can be recovered in the process itself. Equally, we also recover and reuse some plastic scrap in the same processes that generated them, without the need for prior treatment. This allows us to reduce the quantities of waste produced.

Moreover, metal scraps sent to Italian drawing mills are not managed as waste as they are "by-products" pursuant to the provisions of *Italian Legislative Decree no. 152/06*. All metal scraps are transformed back into processable raw materials, once again promoting the recovery and recycling of the materials.

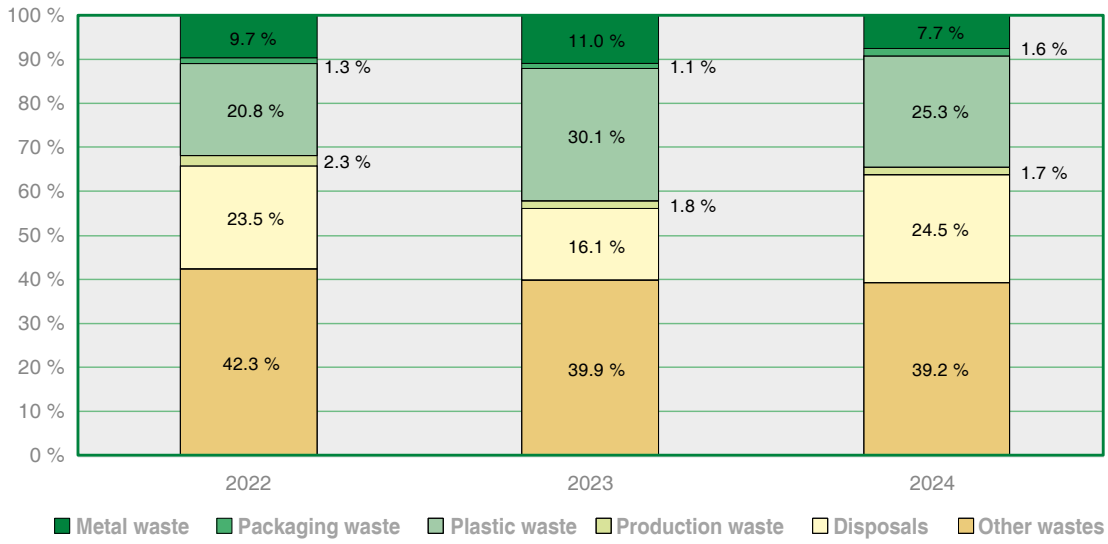
Again one of the characteristic outputs of our mechanical processing are significant amounts of process waste which, in order to avoid impacts on the local environmental matrices, are managed in specific plants and containers. These types of waste are sent to treatment facilities, the authorisations of which are always checked in advance, where they are disposed of following certain chemical and physical processes.

We have therefore reclassified our waste on the basis of the activities that generated it, thus being able to check the generally decreasing trend, explained essentially by the production volumes recorded, excluding the waste deriving from the disposal of obsolete machinery and equipment and processing wastes, which increased due to the greater maintenance performed.

Waste by type

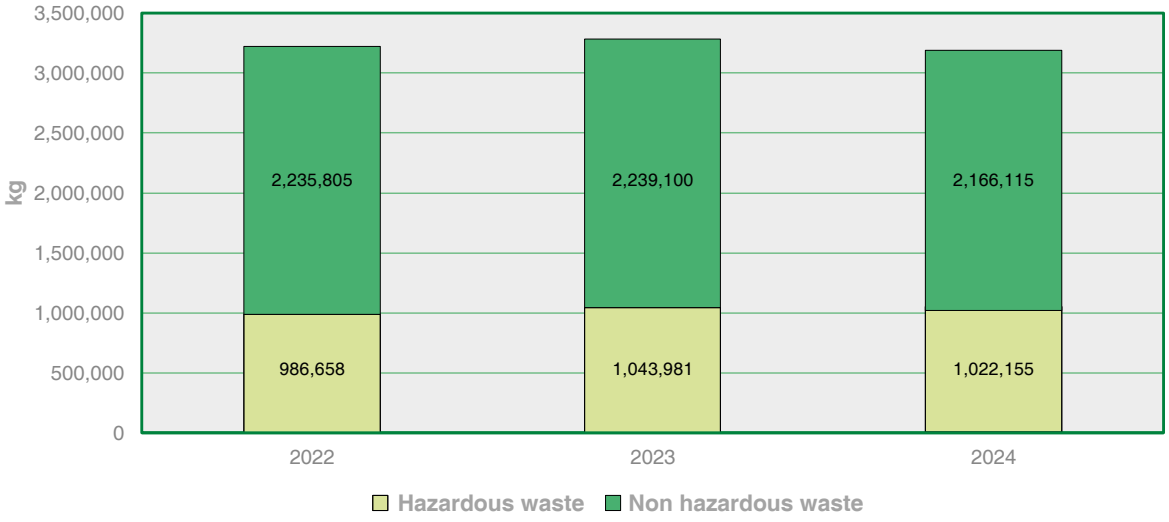


Composition of waste by type

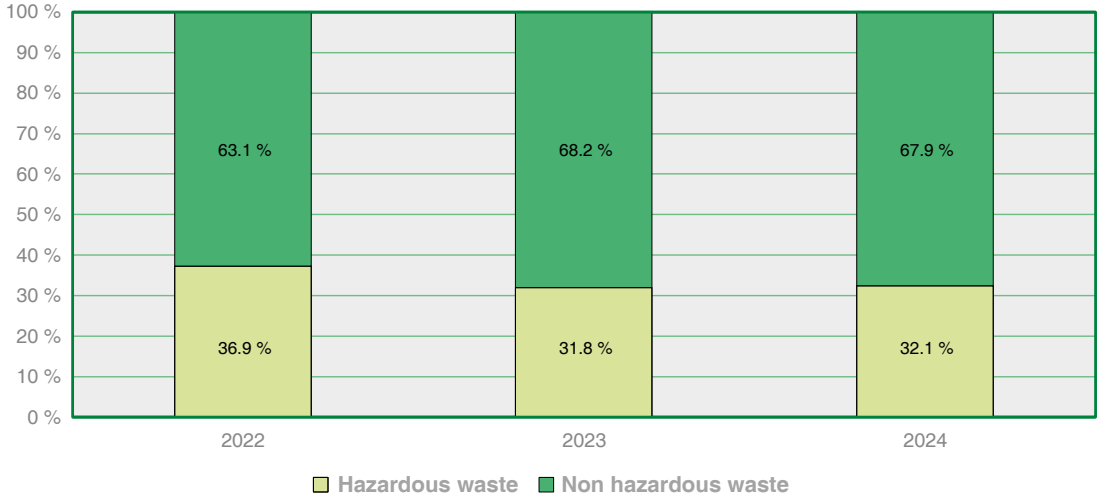


Generally, the main part of our waste is non hazardous, and especially large quantities of metal scraps delivered abroad as waste but, as explained in the previous chapters, subject to recovery.

Waste by hazardousness

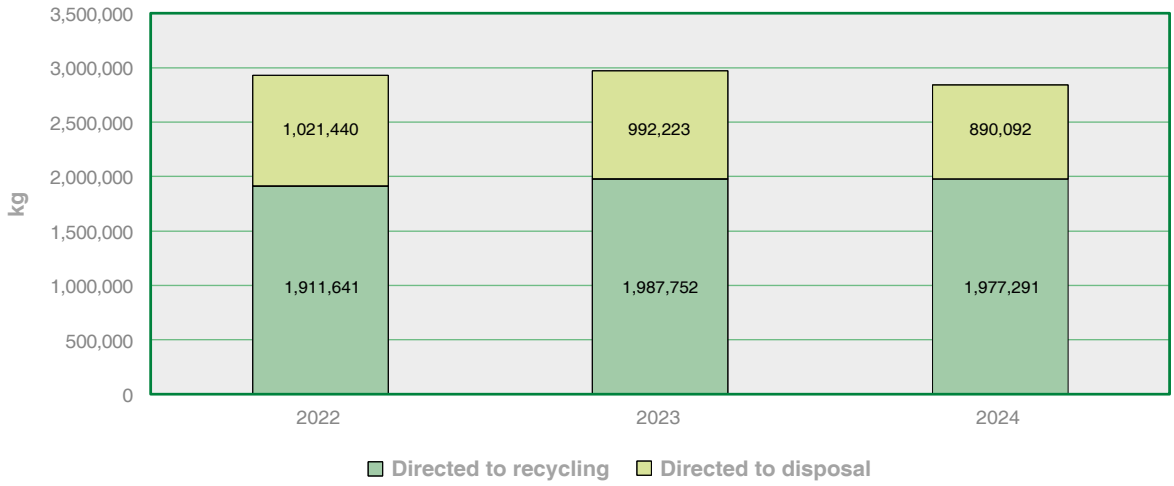


Composition of waste by hazardousness

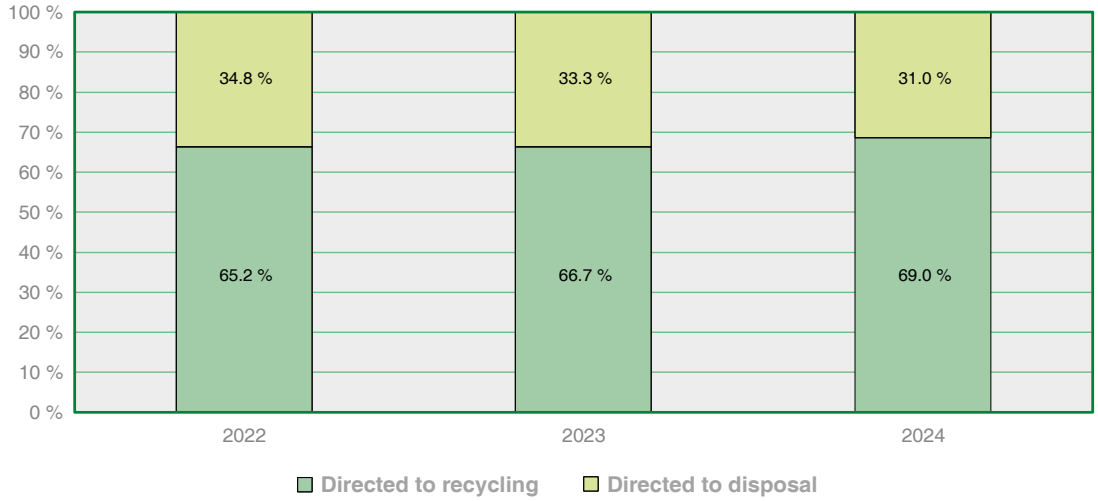


Most of the waste generated is sent to plants for recovery, while that directed to disposal is normally subject to chemical and physical treatment prior to final disposal. No waste materials are sent for burial in landfills.

Destination of waste



Destination of waste



SOCIAL AREA

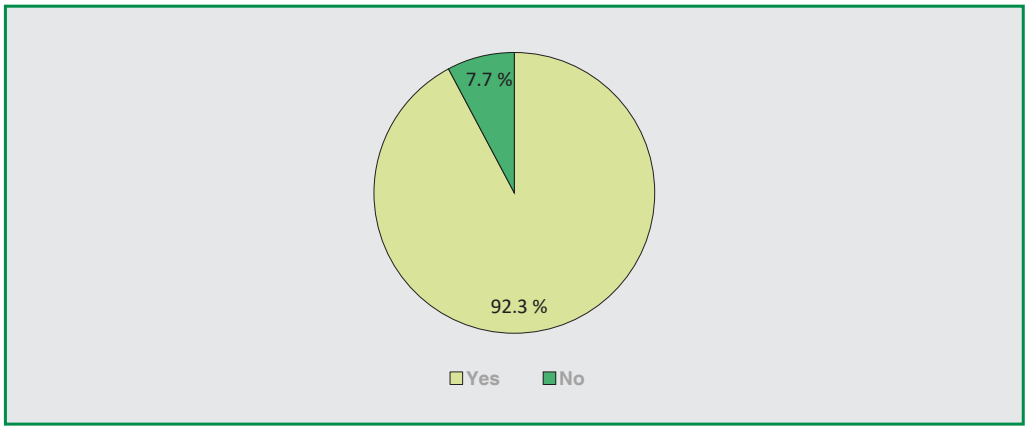
PEOPLE

Human capital is the beating heart of our *group*. Everyone contributes to the success of our companies with their talents and efforts. The Human Resources department works to cultivate and enhance this wealth, overseeing all aspects of *personnel* management, from individual relations to development strategies at *group* level.

1. Employment

All employees of the Italian companies are hired in line with the related national collective *bargaining agreements*. In countries which do not have national/sector bargaining agreements, the provisions of the local *labour laws* are applied.

Employees hired under *collective bargaining agreements*



Headcount

The *group permanent employees* are divided as follows.

***Personnel* by category/ Contract type - number of persons**	**2024**	**2023**	**2022**
Executives (permanent)	38	43	38
Executives (fixed-term)	1	0	0
Middle Managers and White Collar (permanent)	684	667	653
Middle Manager and White Collar (fixed-term)	14	16	19
Blue collar (permanent)	752	731	701
Blue collar (fixed-term)	5	10	9
Total	**1,494**	**1,467**	**1,420**

The *group*'s *temporary workers* are divided as follows.

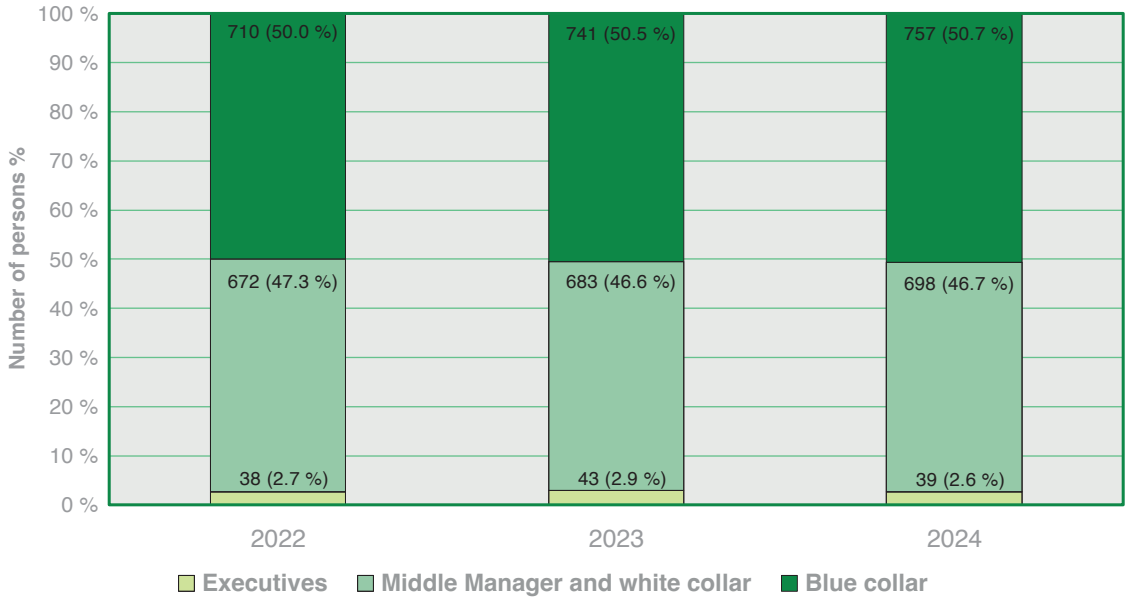
***Personnel* by category/ Contract type - number of persons**	**2024**	**2023**	**2022**
Middle Manager and White Collar (temporary)	10	11	14
Blue collar (temporary)	111	160	211
Total *temporary workers*	**121**	**171**	**225**

The above tables separates the number of *employees* from *temporary workers*, who counted for a significant number of *personnel* in the reported years, due to significant seasonal peaks.
The average seniority of the *direct employees* at 31 December 2024 was 12 years and 7 months in the *group*.

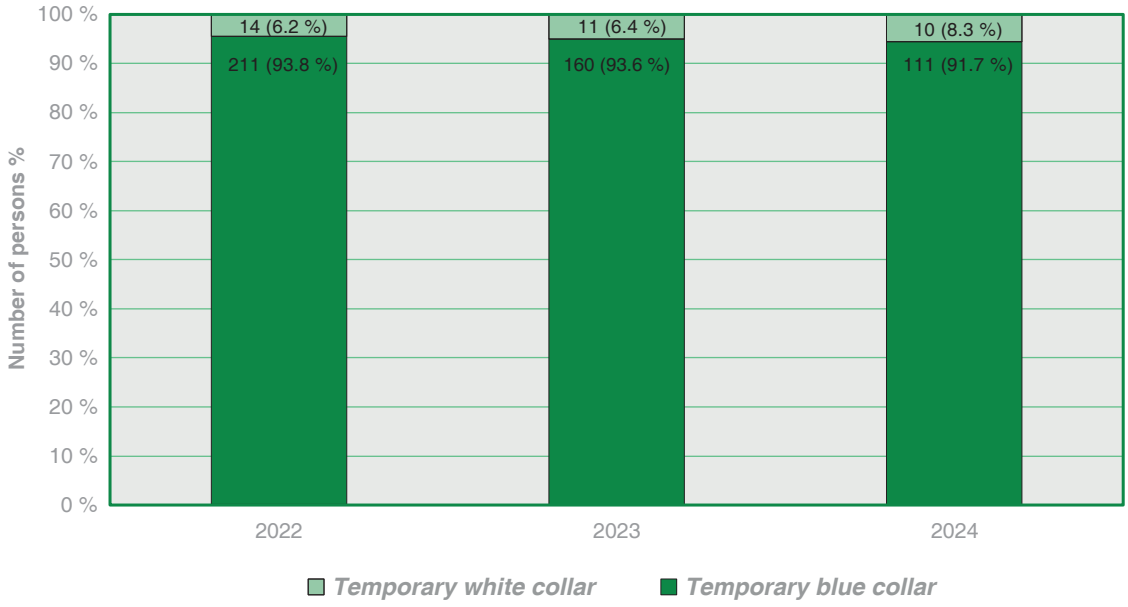
Below the data relating to *personnel* are given, divided into *permanent employees* and *temporary workers*.

By contractual category

· *Permanent employees*

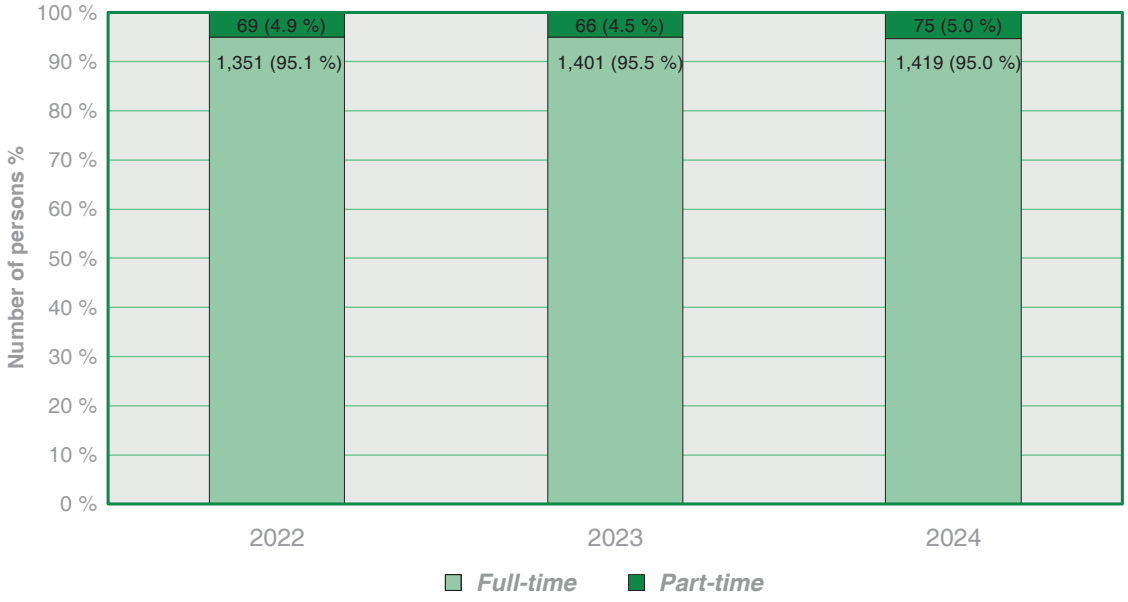


· *Temporary workers*

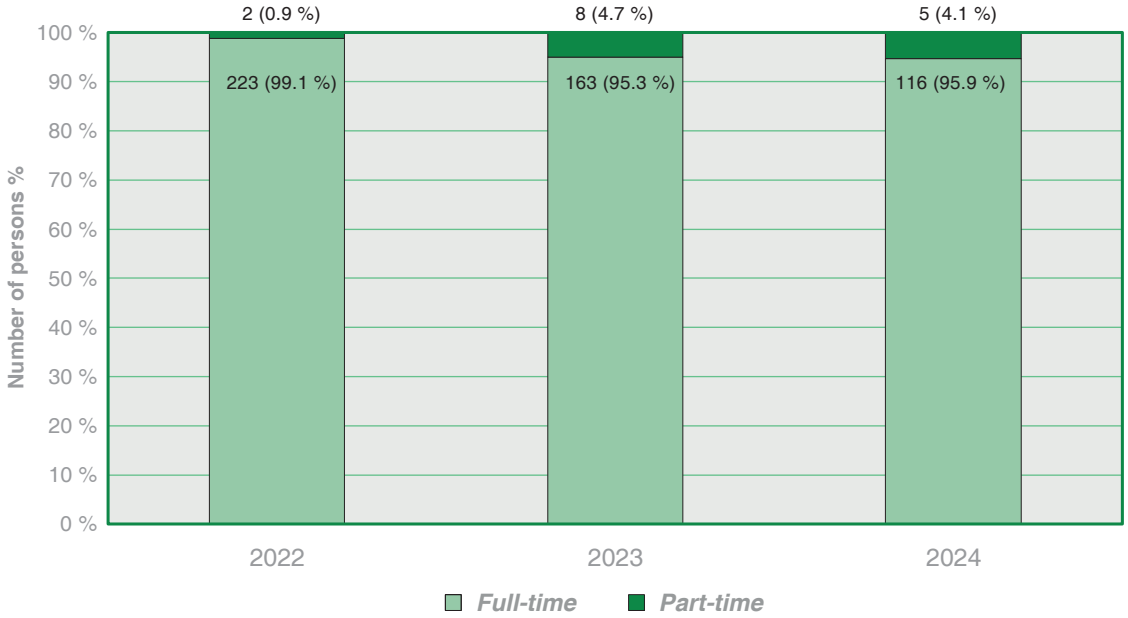


By working hours

· *Permanent employees*

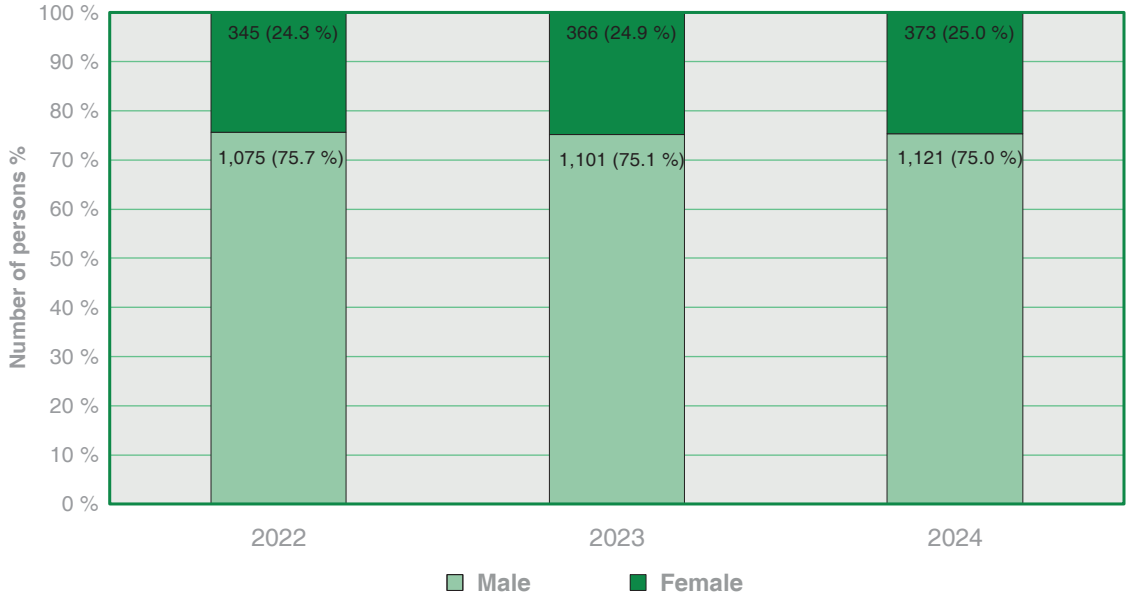


· *Temporary workers*

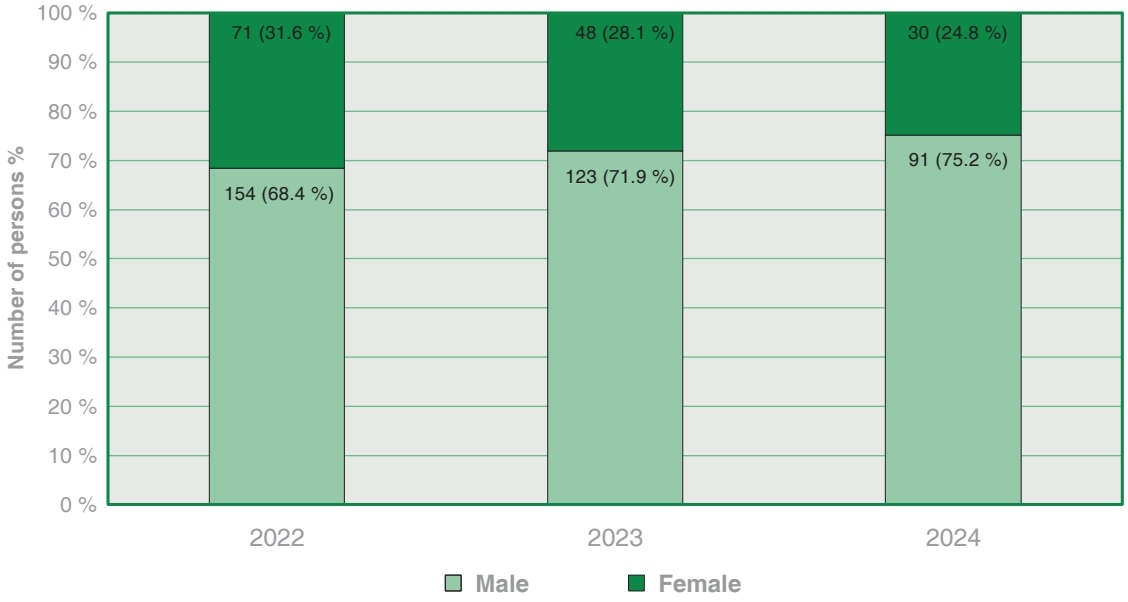


By gender

· *Permanent employees*

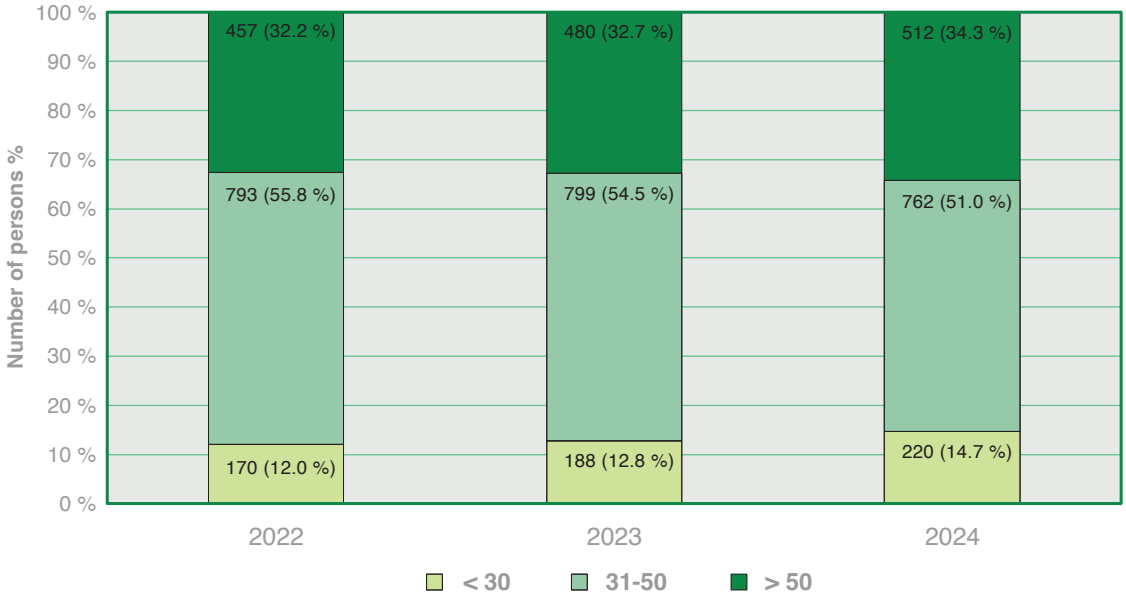


· *Temporary workers*



By age group

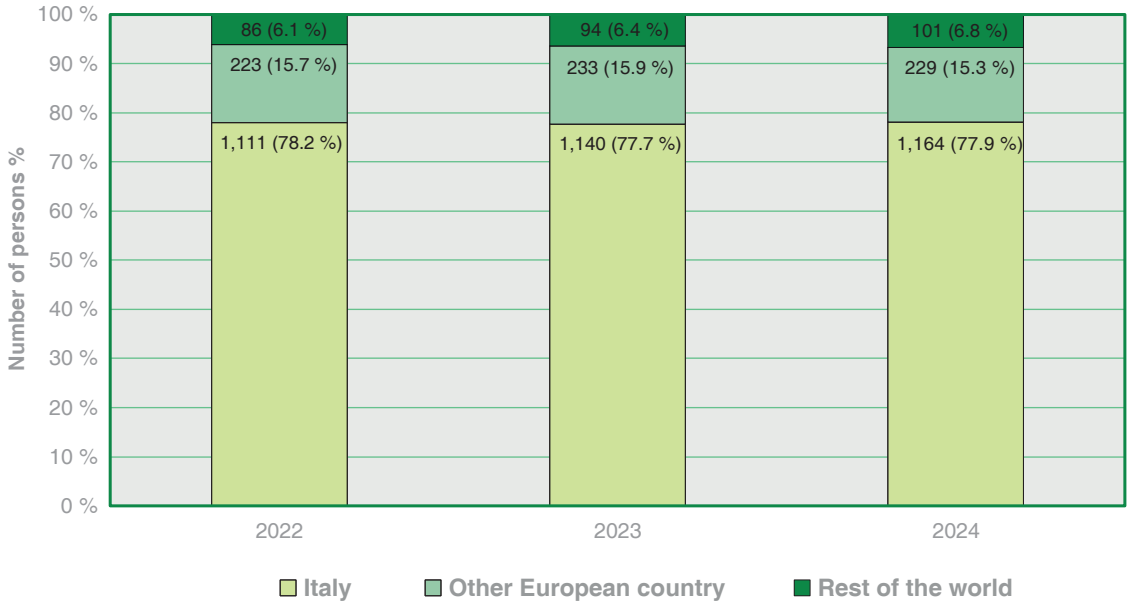
· *Permanent employees*



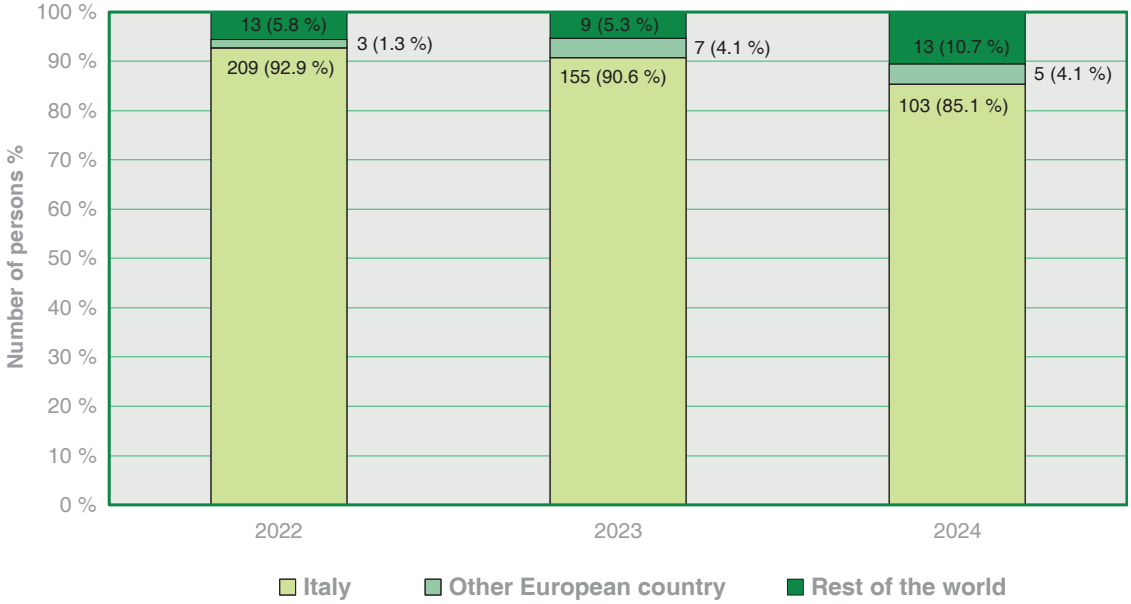
· *Temporary workers*

By geographical area

· *Permanent employees*

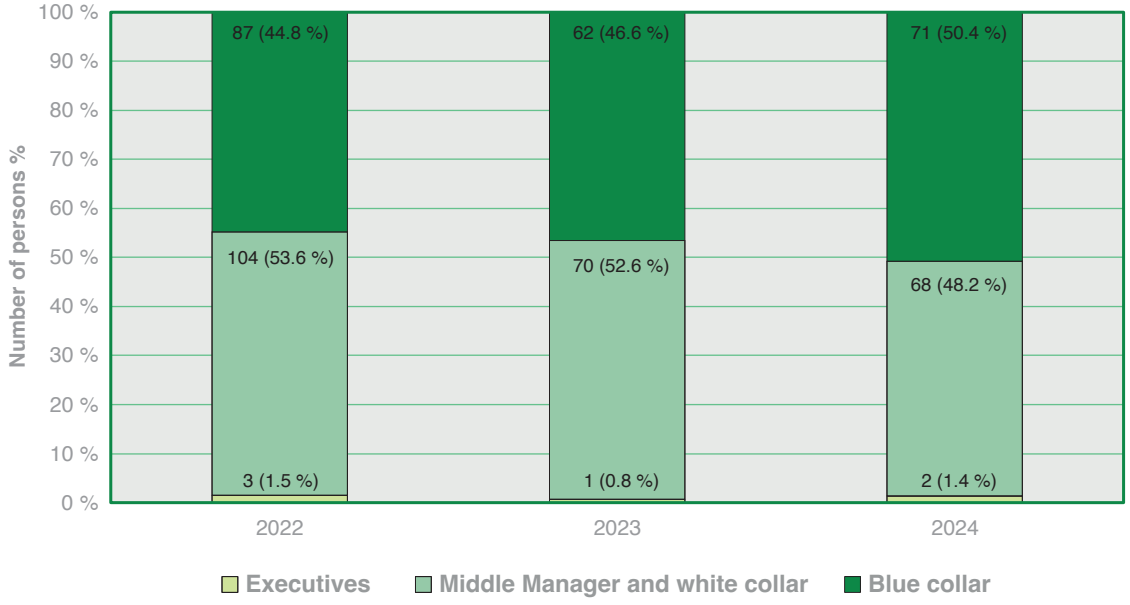


· *Temporary workers*

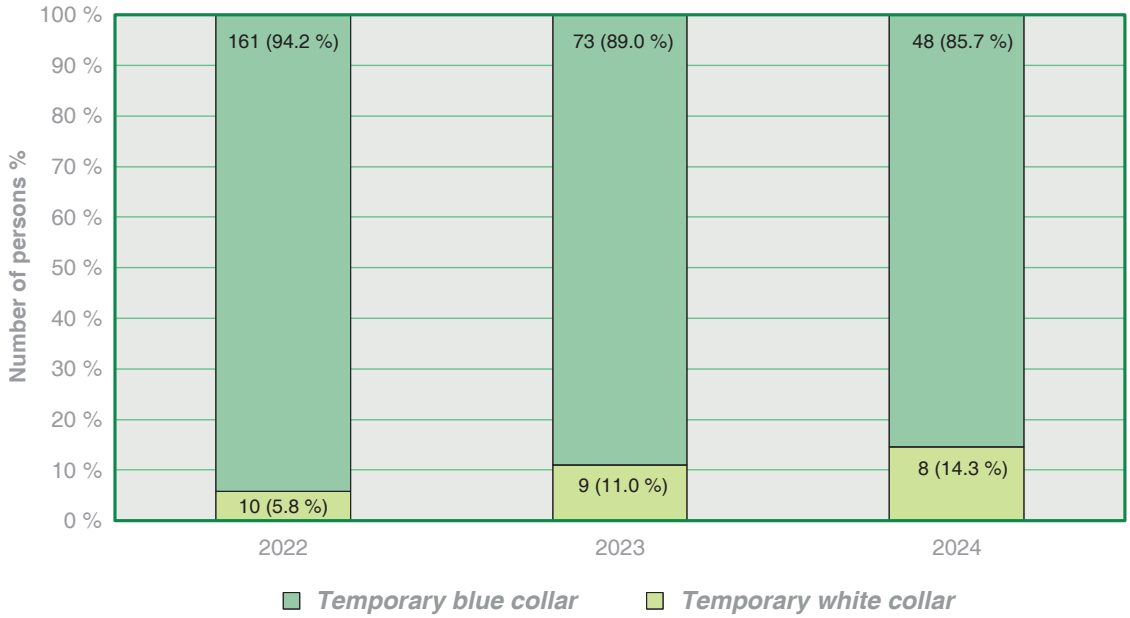


New hires by contractual category

· *Permanent employees*

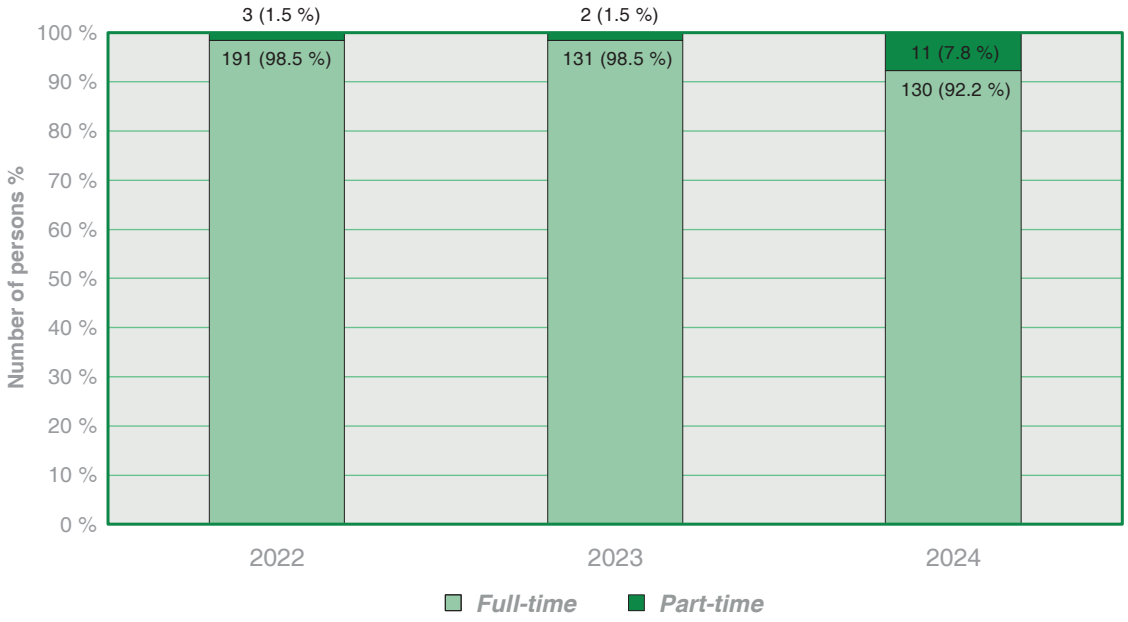


· *Temporary workers*

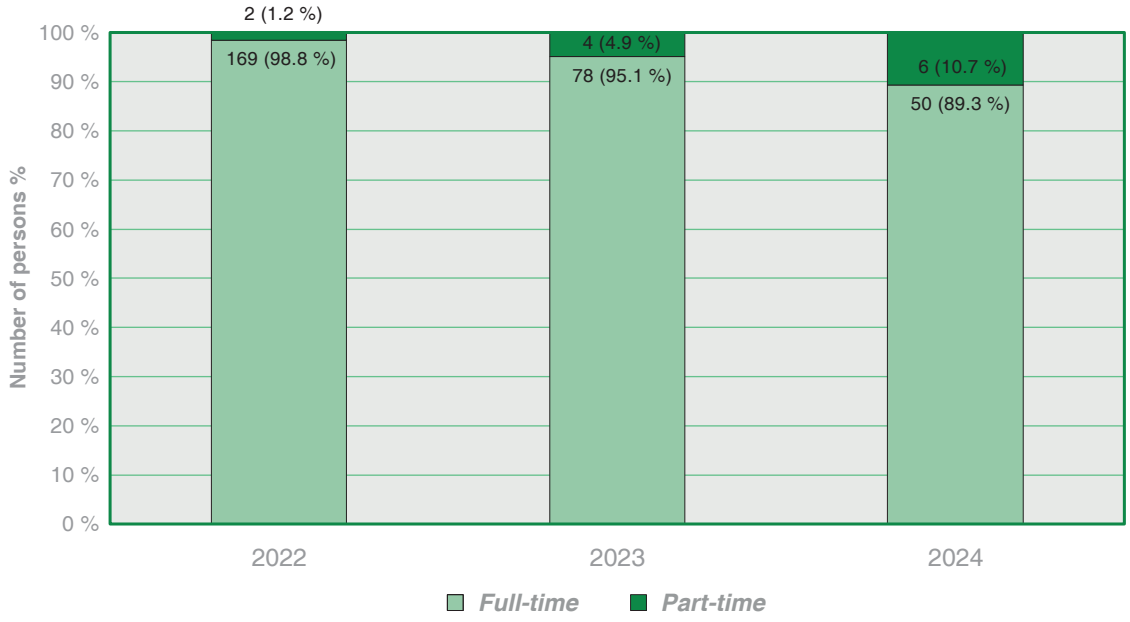


New hires by working hours

· *Permanent employees*

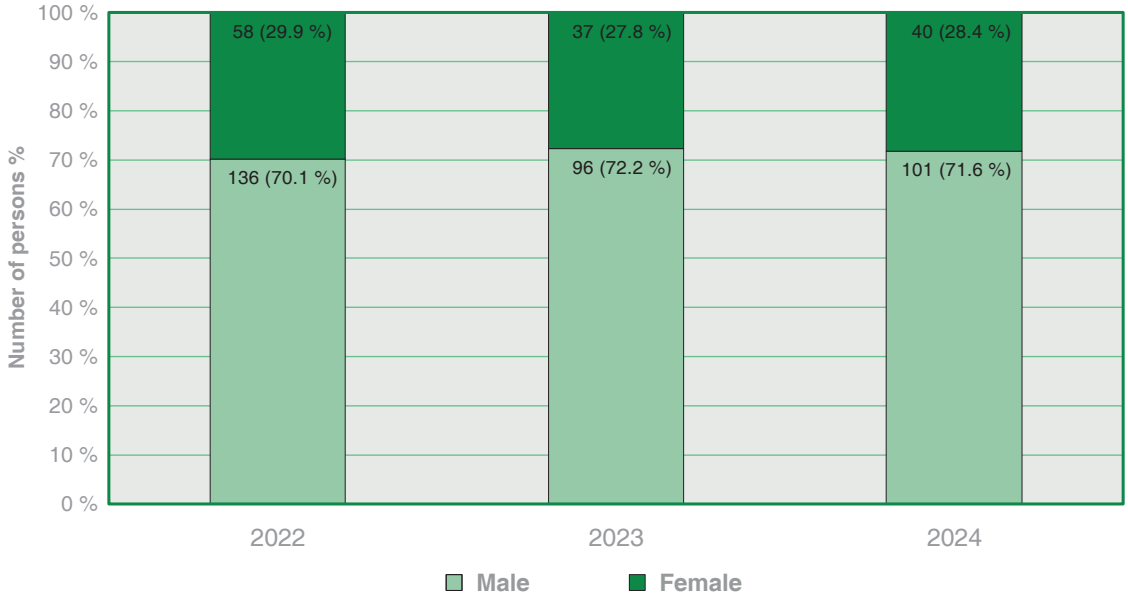


· *Temporary workers*

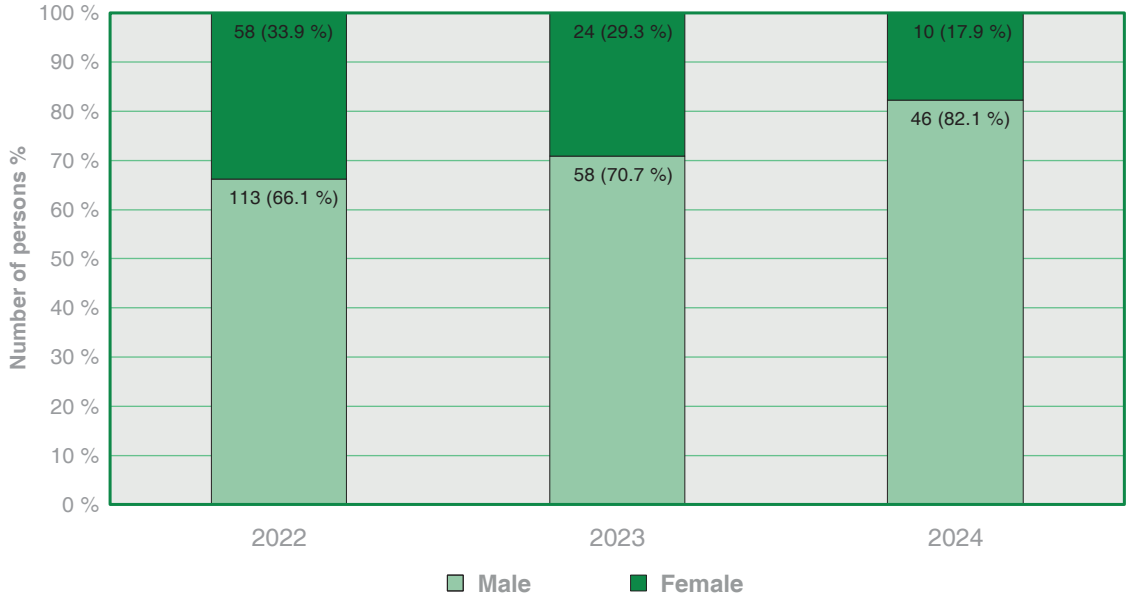


New hires by gender

· *Permanent employees*

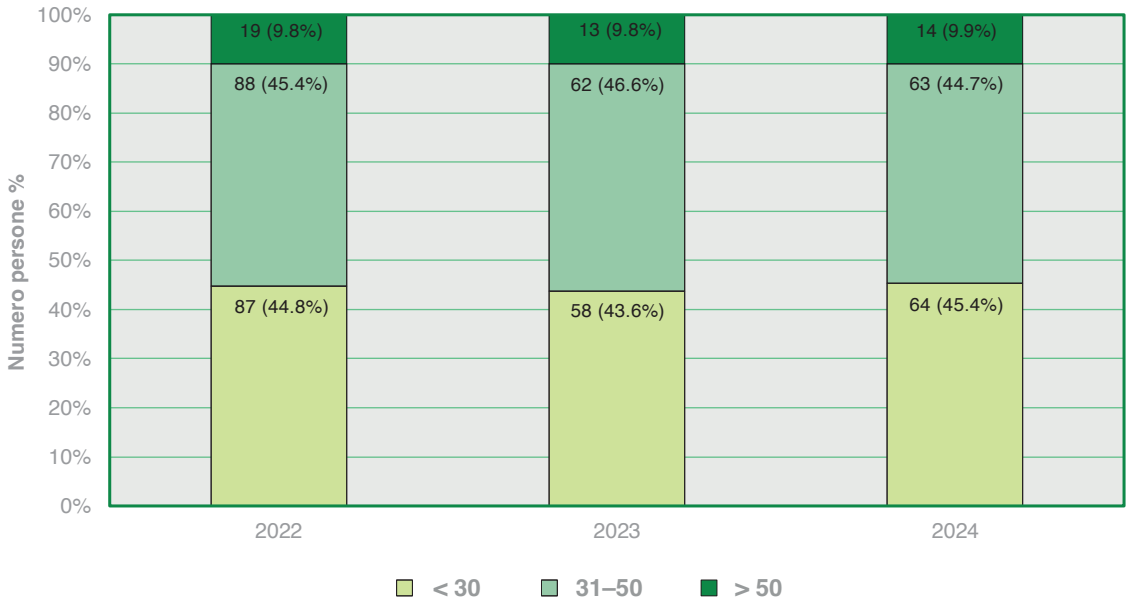


· *Temporary workers*



New hires by age group

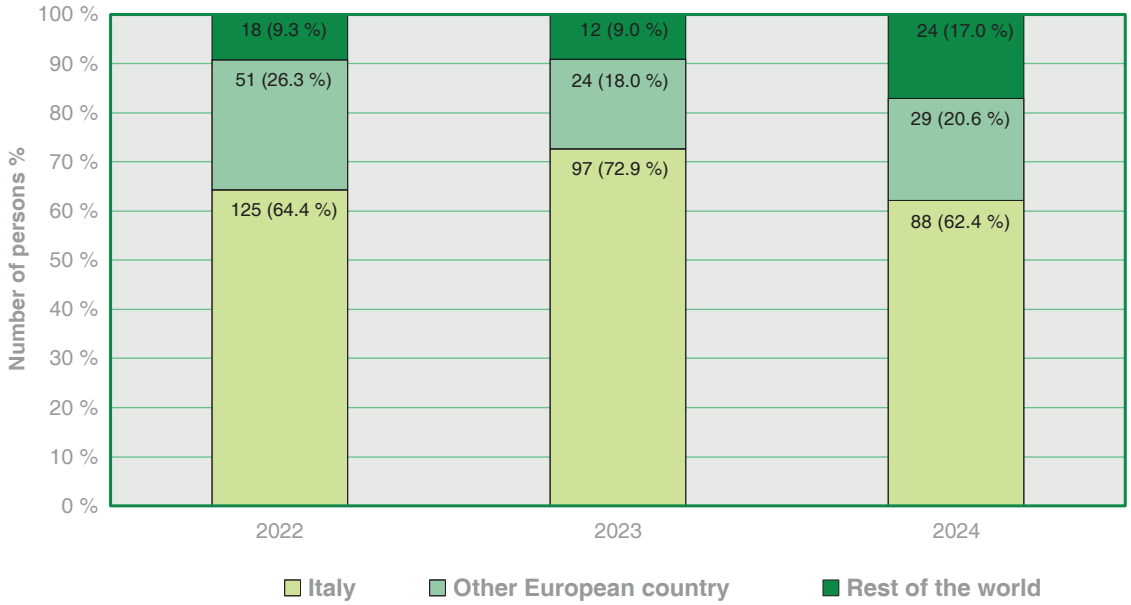
· *Permanent employees*



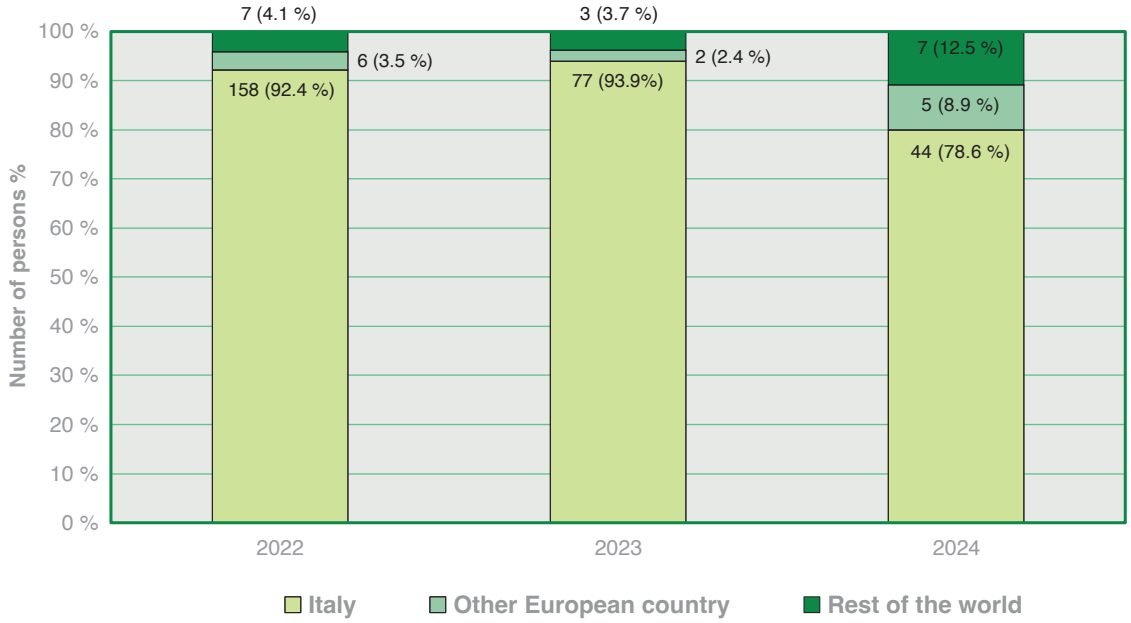
· *Temporary workers*

New hires by geographical area

· *Permanent employees*



· *Temporary workers*



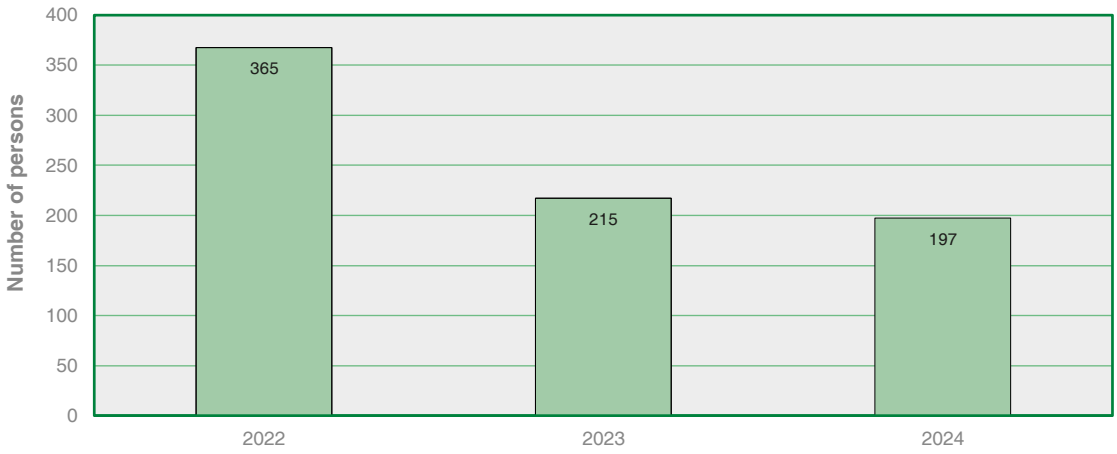
The division of *personnel* by contractual category is affected by the prevalence of resources working in manufacturing and processing activities, typical of the companies in our sector which, historically and due to the type of activities performed (production of metal components), has always recorded a prevalence of male *personnel*. The work involves major technical elements, including drawing, design, prototyping, production, sales and pre- and after-sales assistance. These processes demand mainly mechanical professional skills which affect *personnel* selection. Personnel are sourced mainly from technical schools and *STEM* faculties, where over 90 % of the students are male. Despite this, the *group* continues to guarantee equal opportunities, and offering opportunities for growth and training.

The number of people working with a *part-time* contract remained practically unchanged during the three years.

The division by age group has remained constant in the three years in question, with a growth trend in the under 30 group in 2024, demonstrating the *group's* foresight outlook towards the future, and therefore, towards new generations. The *organisation* is aware of the fact that innovation and new technologies are strategic pillars for business growth: young people and seniors, therefore, both represent solid foundations for supporting the future of the *group* through the synergies that develop between different generations.

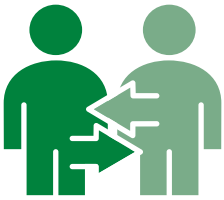
The total new *personnel* is given below.

New hires



Personnel turnover

The *permanent employee turnover rate* of the *group* is as follows.



	2022	2023	2024
***Turnover* Rate**	4.6 %	3.5 %	3.2 %

Turnover	2024	2023	2022
Voluntary resignations	52	57	75
Full-time	50	56	75
Part-time	2	1	0
Male	41	41	51
Female	11	16	24
< 30	20	16	22
31-50	22	34	45
>50	10	7	8
Italy	34	43	44
Other European country	8	10	23
Rest of the world	10	4	8

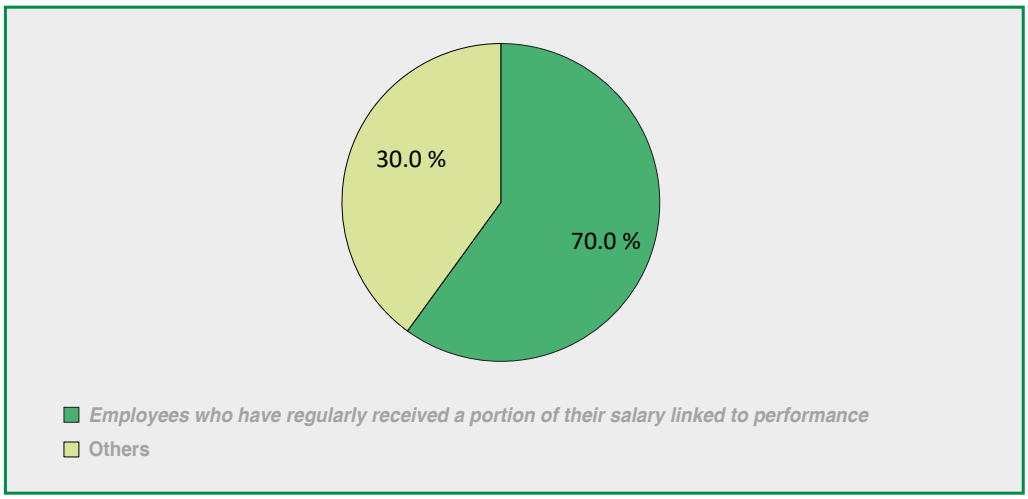
The percentage of *permanent employee turnover* is calculated on the basis of the number of voluntary resignations compared to the total number of *personnel*. The *group turnover rate*, in the years in question, was relatively modest, and fell further in 2024. The low *turnover* rate is the result of a business culture that promotes people's well-being, paying attention to the work place, engagement actions and the sharing of the *group's* values.

2. Employee well-being

Salaries

The *group* pursues the aim of managing the salary levels of its personnel in a uniform and balanced manner, respecting the skills and professionalism characterising the various roles in the organisations, guaranteeing equal application and enhancement of merit and excellent *performance*, also adopting tools to reward results (*MBO*).
Remuneration polices are currently being harmonised through the introduction of specific *company reward policies* already applied by the *parent company*.
In all the Italian companies in the *group*, to assure greater purchasing power for all employees, in the reporting years individual productivity bonuses were not absorbed into any increases in the national contracts.

Salary linked to *performance*



In 2024, 70.0% of the total employees benefited from forms of individual and/or company *performance*-related rewards. In particular, with reference to *Caleffi*, a performance-based collective incentive scheme was introduced in the 1990s, based on company *performance*, agreed with the trade unions and called "Premio di Risultato" ("*Performance* Bonus"), which over the years has developed, including method KPIs and reference indicators in order to remain up to date.
From a periodic analysis carried out by ODM Consulting, it emerged that, in 2022, salary levels recognised by the *parent company* are higher than the average recorded in other companies in our sector; these data are also confirmed by the recent salary investigation carried out by ODM Consulting through CNW (the local Confidustria branch). Also in 2024, a survey conducted by the daily newspaper "Corriere della Sera" included *Caleffi* among *Italy's Best Employers*.

Service available to *permanent employees*

In the Italian companies in the *group* all *permanent employees* may use a free tax assistance service and the flu vaccination campaign.

Personnel benefits

In the *group*, all benefits are reserved without distinction for all *personnel*, whether on permanent or fixed-term contracts, *full-time* or *part-time*. These benefits include discounts in stores in areas where the *group* has its production units, as well as online purchasing platforms.

We support our employees' important events

Feeling part of the *group* means being able to count on its support. Making this a tangible principle, for special events workers are paid amounts through the *company welfare* platform:

- weddings or civil unions;

- birth or adoption of a child;

- when obtaining a diploma or a degree while working and studying.

We protect our people's health and well-being

Aware of the importance of people's health, the *group* has decided to provide the following additional coverage in the contracts of uniform categories of workers:

- health plans (prevention and reimbursement of medical expenses);

- paid leave for medical examinations and treatments;

- supplementary insurance cover for work-related and non-professional incidents.

We have also planted some green areas available at the sites of the *parent company*, in order to mitigate the effect of sunlight in the production areas with "natural" screens that will improve working conditions.

We value loyalty

Some companies in the *group* offer rewards for seniority, such as a watch with a special dedication to employees when they reach 20 years of service in the *group* and, subsequently, a significant bonus in the form of *welfare* credits when they reach 30 years of service.

Parental leave

In the companies in the *group*, at the end of maternity or paternity leave and depending on personal needs, other facilities and different methods of returning to work are assessed. In the three-year period 2022-2024, the percentage of personnel who left the *group* within twelve months following the end of parental leave was less than 0.5 %.

	2024	2023	2022
Number of people taking parental leave	45	35	32
Number of people returning to work after taking parental leave	35	31	32
Number of people still in work 12 months following the end of the parental leave	29	25	25

3. Occupational health and safety

Occupational health and safety has always been a cornerstone of the *group*'s actions and culture. This commitment has led various companies to adopt a safety management system inspired by the principles of the *UNI EN European standard ISO 45001:2023*, even though they are not certified. Today in addition to two companies in the *group*, *Cristina* and Altecnic Ltd., which have achieved the result of having their safety management system certified according to the above-mentioned standard, the parent company has also achieved the same result. Therefore, we can state that, for all Italian companies, also for Altecnic Ltd., over 1,250 people are covered by certified safety management systems.
The constant efforts made in this field are assured by an organisational structure that has precisely identified tasks and responsibilities for the people involved in the management of this fundamental issue.
Every company with production plants in Italy has identified its own *safety delegate* who is responsible for organising the safety management, coordinating the various divisions to ensure that every activity is based on respect for the integrity of the *personnel*.
All the Italian companies have also identified their own *prevention and protection service*. The person in charge has the task of cooperating with the employer and the whole organisational structure, in assessing all the working risks in compliance with *Italian Legislative Decree no. 81/08* and any specific technical standards applicable to the various fields of occupational health and safety. This continuous activity is constantly updated in line with any organisational, structural and equipment changes occurring over time.
Furthermore, the various departments have supervisors who oversee the work activity and check that it is performed correctly by the workers, ensuring the implementation of the directives received and exercising a functional power of initiative and responsibility also for safety.
Before carrying out their assigned duties, the supervisors are appropriately trained and instructed in order to ensure the right level of skill for the role.
The other foreign companies have adopted models that comply with local regulations.
This continuous activity assures that accident levels are constantly kept under control. As of today, no work-related fatalities have ever been recorded.

	2024			2023			2022		
	Permanent employees	*Temporary workers*	Total *personnel*	*Permanent employees*	*Temporary workers*	Total *personnel*	*Permanent employees*	*Temporary workers*	Total *personnel*
Fatalities	0	0	0	0	0	0	0	0	0
Injuries with return to work after at least 40 days	6	1	7	1	0	1	0	1	1
Injuries with return to work in less than 40 days	9	2	11	16	1	17	13	4	17
Working days lost due to injury	555	59	614	228	9	237	110	79	189
Commuting incidents	5	0	5	3	0	3	8	1	9
Work-related ill health	0	0	0	0	0	0	2	0	2
Near-Misses reported	26	2	28	38	2	40	27	1	28
Hours of work	2,464,796	235,023	2,699,819	2,235,307	278,660	2,513,967	2,017,225	321,958	2,339,183
Incidence index	10.03	24.79	11.14	11.59	5.85	10.99	9.15	22.22	10.94
Frequency index	6.09	12.76	6.67	7.61	3.59	7.16	6.44	15.53	7.69
Severity index	0.23	0.25	0.23	0.10	0.03	0.09	0.05	0.25	0.08
Incidence of occupational diseases	0	0	0	0	0	0	0	0	0

All the data regarding injuries concern the work force as a whole, so both *permanent employees* and those with other contractual forms (including temporary contracts).
For subsequent processing, we considered only the injuries occurring during the *performance* of work activities inside the work environments, thus excluding commuting incidents.

Most of these incidents relate to manual operations that caused minor injuries. These were slightly higher in number than in the past (i.e., involving more workers), but with a lower frequency. An increase in the number of days of absence was however noted, mostly due to two individual events with longer prognosis, even though initially these events did not seem particularly serious.

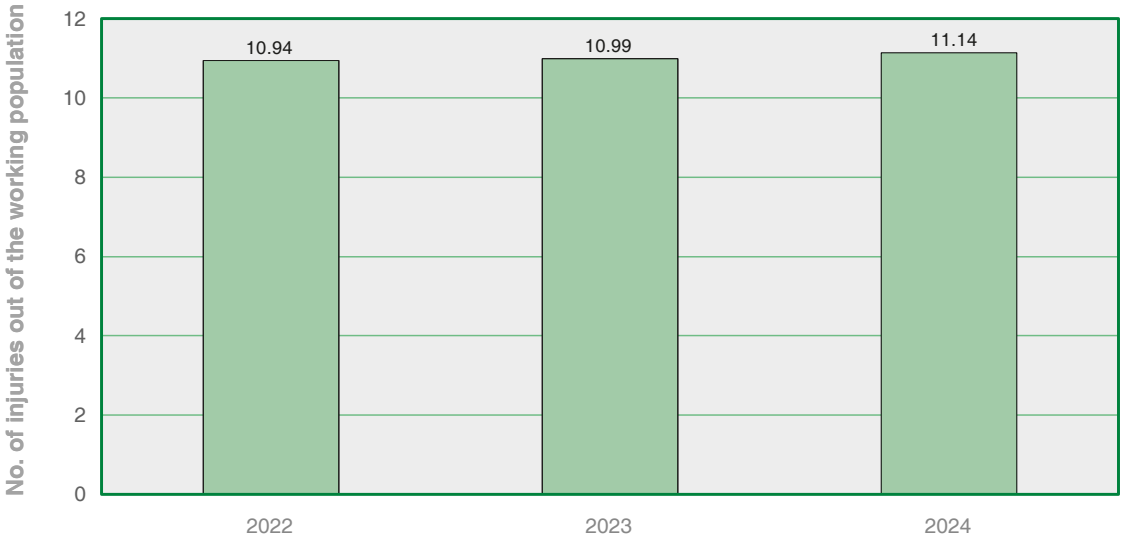
However, we feel that the must continuously apply our efforts not to constantly reducing the number of injuries and related absences, but cancel them out completely.

The indicators, calculated in accordance with the provisions of standard UNI 7249:2007, are given below. The indicators are calculated on the whole company population, both *permament employees* and *temporary workers*.

Incidence index: no. of work-related injuries / no. of workers x 10^3
Severity index: no. of days of absence due to injury / no. of annual hours worked x 10^3
Frequency index: no. of work-related injuries / no. of annual hours worked x 10^6

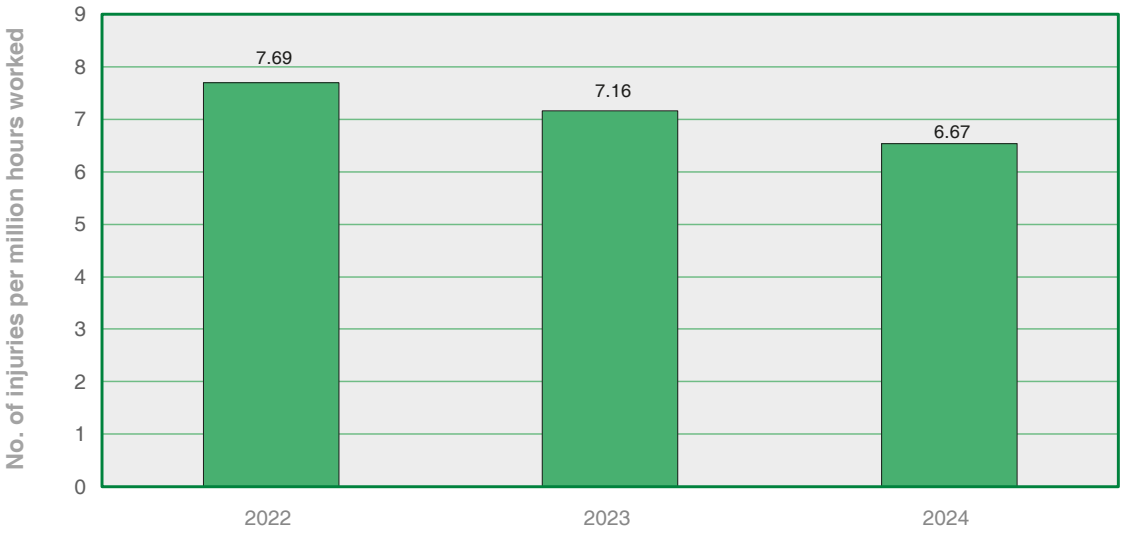
The incidence index, which relates the number of incidents occurring to the number of workers, as explained, shows that the phenomenon is slightly on the increase.

Incidence

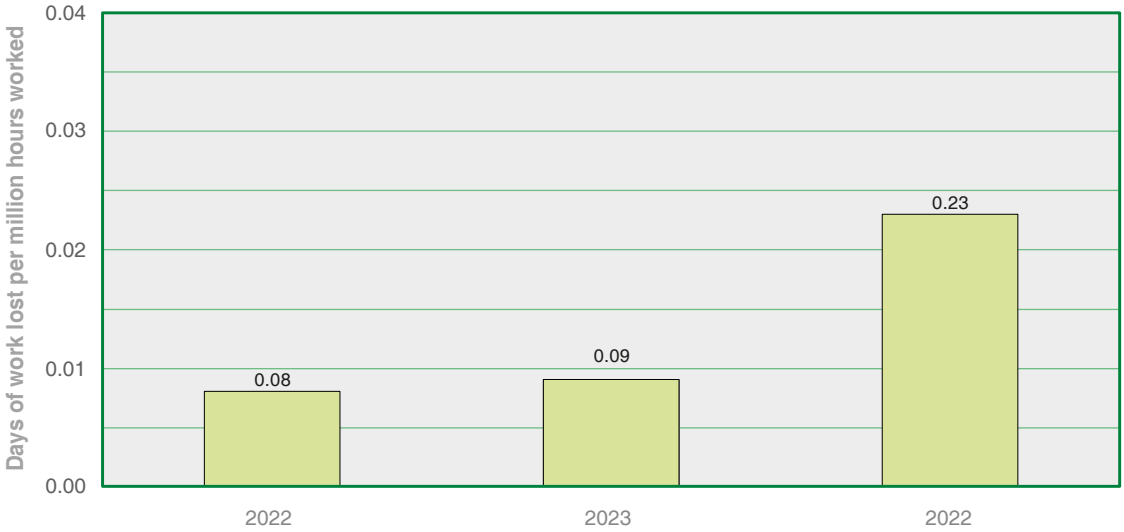


Then taking into consideration to frequency and severity indices which, respectively, measure the weight of injuries for every million hours worked and their severity in terms of thousands of hours worked, we can see that the results describe a situation in which injuries are increasingly infrequent but with variable severity.

Frequency



Severity



From these data we can in fact see that the probability of having an injury is very low, and with a severity that, despite the increasing trend, can be contained, as shown by the related index.
These data therefore confirm the close attention and commitment of the whole *group* towards this issue, investing in order to continuously improve occupational safety, both through more modern and innovative technological choices and through increasingly targeted and specific training activities.

The data and indexes represented in the graphs refer to the whole working population with no distinction. If, on the other hand, we analyse the *temporary workers*, we can see how the greater weight is essentially due to the lower number of these (see previous table).

The constant attention by all *personnel* in reporting *near-misses* more often is also appreciated. This allows us to identify any hazardous situations in advance, before they can cause an incident or work-related ill health.

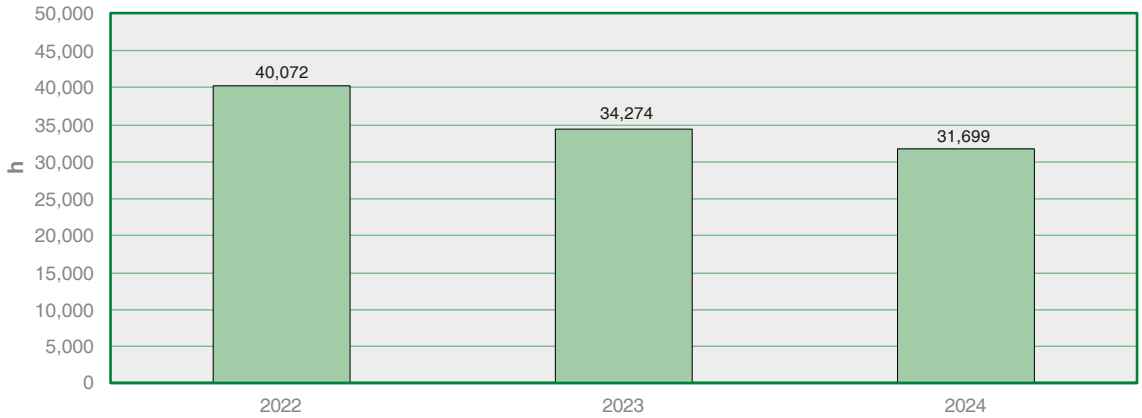
The occupational diseases incidence is zero.

All workers also have the right to stop their work activity at any time if they are in a situation of serious and imminent danger, without the risk of suffering any negative consequences. As of today, no situations of this kind have occurred, also considering the *group*'s constant commitment to prevention activities.
All workers are guaranteed the possibility to contact health staff in charge of assessing their health conditions in relation to various work activities. The health staff keep the health documentation of all the workers, ensuring its confidentiality and cooperating with the organisational structure to ensure that every worker performs their tasks with due respect for their own mental and physical integrity.
In this organised health and safety management system, a fundamental part is played by the workers who, especially through their representatives, actively participate in the risk assessment activities and prevention initiatives. In particular, the workers play an active part in the drafting of procedures and instructions laying down the rules for safely performing some activities considered to require more attention.
They also take part in the investigations of injuries and accidents, and help to identify the most suitable personal protective equipment.

4. *Personnel* development, training and education

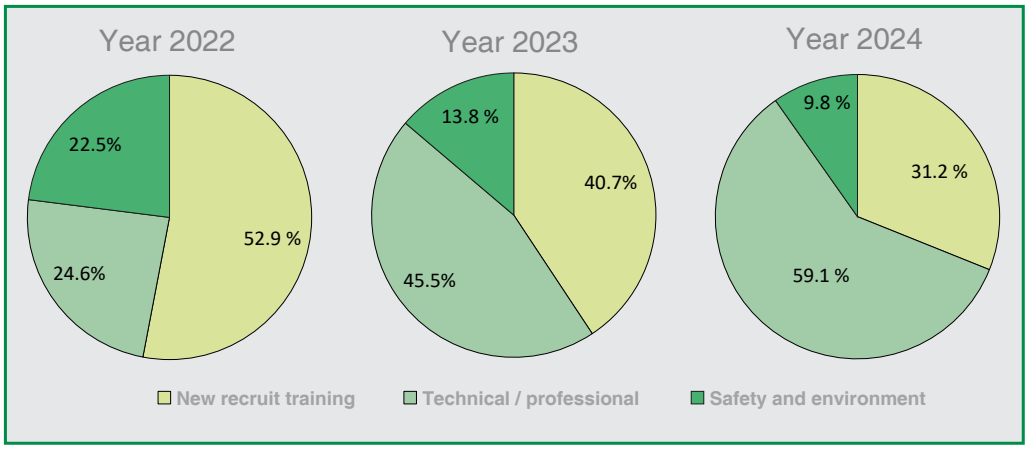
Consistently with the strategic definition of the value of each individual to each person, the *group* invests significant resources to design and provide training every year, on the basis of specific technical and organisational needs and to maintain, update and improve the skills and abilities of all our people. In this field, every year we gather training needs, in addition to those related to mandatory training.
The training process begins when people join the company, through onboarding programmes that help new *personnel* to familiarise with the corporate culture, values and dynamics, in addition to any technical aspects.

Training used



In 2022 and in early 2023, the total number of hours of training was higher than that of 2024, due to the provision, in some Italian companies in the *group*, of periodic multiannual safety training in a single programme.

Training by topic

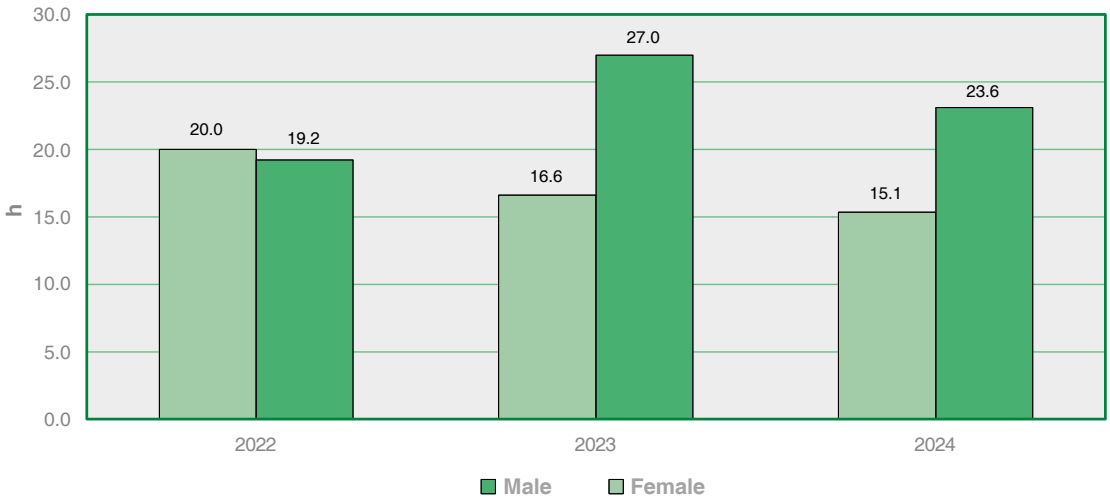


The hours of technical and scientific training have increased significantly in the last year, aiming to enhance the knowledge and skill of the *personnel* working in technical and production fields. It is particularly reported that, in the *Caleffi* production field, the first activities relating to the "*Manufacturing Training System*" were implemented. A modern platform has been introduced to manage and use the training contents relating to this activity.
In 2024, *Caleffi* designed a training programme, "Essere *Caleffi*" addressed to the managers of all areas, focusing on four fundamental pillars: leadership, effective communication, team management and attention to personnel. The programme aims to strengthen our managers' skills and create an even more stimulating and cooperative working environment.

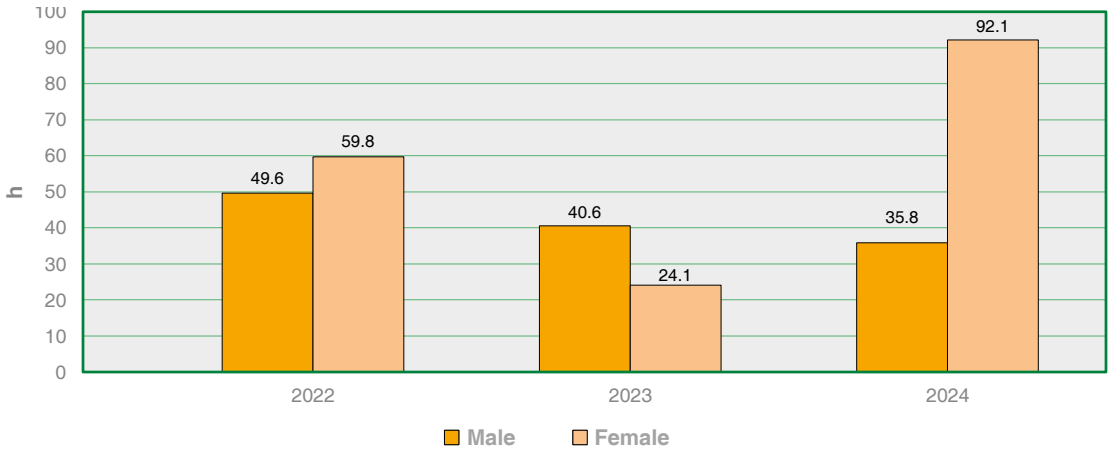
Aware of the best IT practices and in order to promote cybersecurity, in the reference period the *group* launched a number of *security awareness training* sessions.

Training by gender
The average annual hours of training delivered to *permanent employees* are given below.

Average annual hours of training for *permanent employees* by gender



Average annual hours of training for *temporary workers* by gender

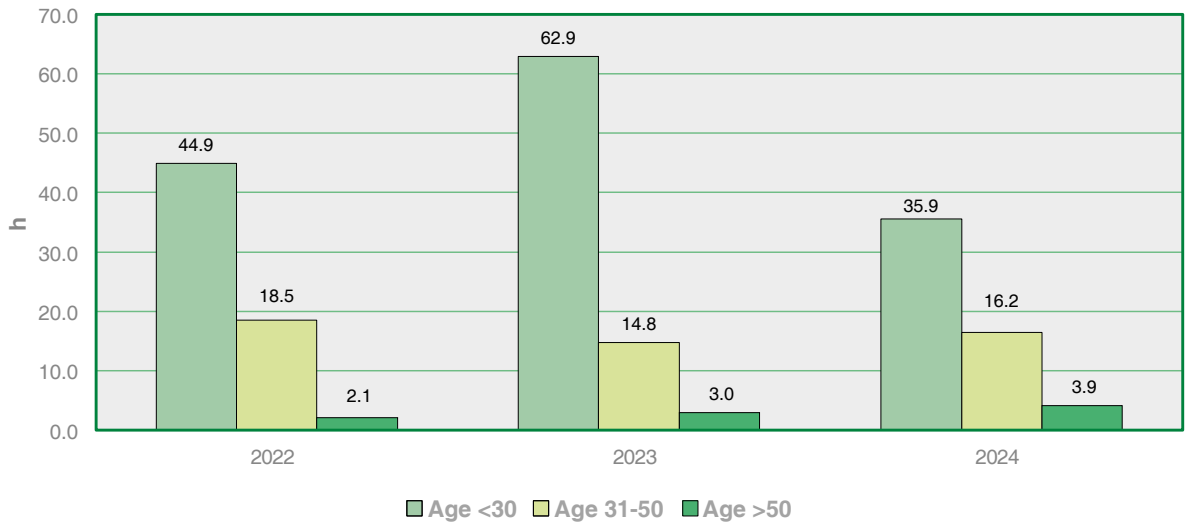


The growth trend of average hours of training delivered to female *personnel* is noteworthy.

Training by age

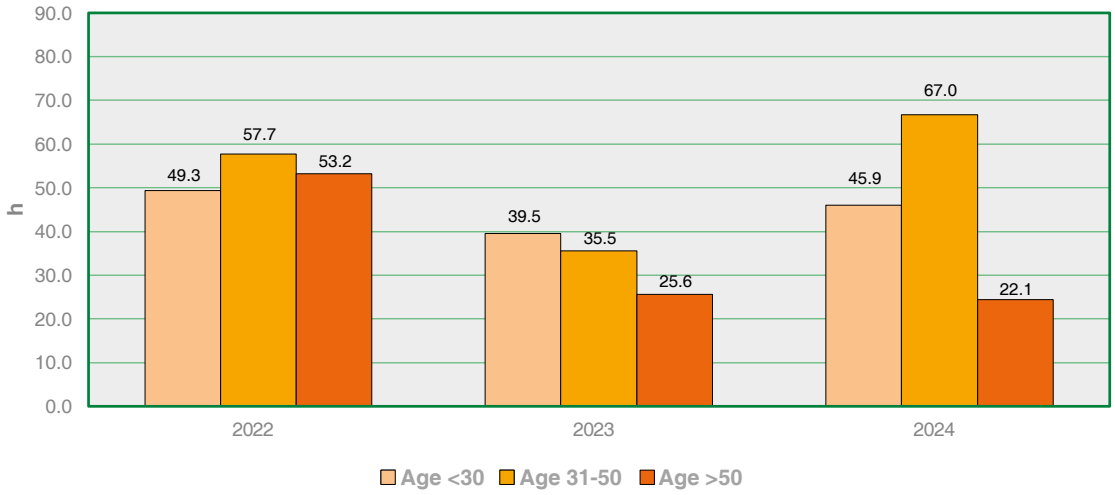
The graph below shows the average hours of training for *permanent employees* by age group, which shows how important it is to invest in the younger age range, especially for technical and professional training. The hours of training tend to fall as the age increases (which in the *group* tends to be proportional to seniority) as training of the younger *personnel* in regulations, processes, the corporate culture and values, are fundamental, while for more senior personnel the main focus is on ensuring appropriate levels of skills updating. Many of our in-house trainers also belong to the more senior age group.

Average annual hours of training for *permanent employees* by age group



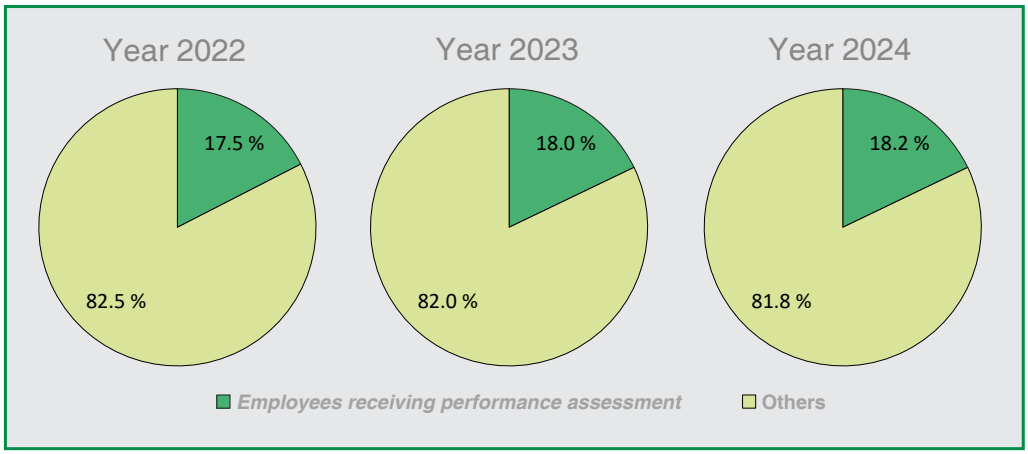
The average annual hours of training delivered to *temporary workers* by age group are given below.

Average annual hours of training for *temporary workers* by age group



In relation to the average annual hours of training, the data confirm the *organisation's* desire to invest in young people and the under-50 age group, without however forgetting to more senior *personnel*.

Performance assessment



The *group* policy aims to enhance the merit of all *personnel* through the gradual implementation, for all roles holding key responsibilities for processes/areas/functions, of tools that recognise and reward the achievement of individual objectives *(MBO)*. More and more personnel are engaged using these tools.
The *organisation* also applies forms of collective incentives, linked partly to the company *performance* and partly to individual participation. These types of incentives are not included in the graph shown above.

5. Protection of diversity and equal opportunities and non-discrimination

We have always paid close attention to internal relations, particularly respecting our people whatever their role and position held.
These principles are widely and clearly described in the *Code of Ethics* applied to all the companies in the *group* and which are shares specifically during the onboarding training sessions.

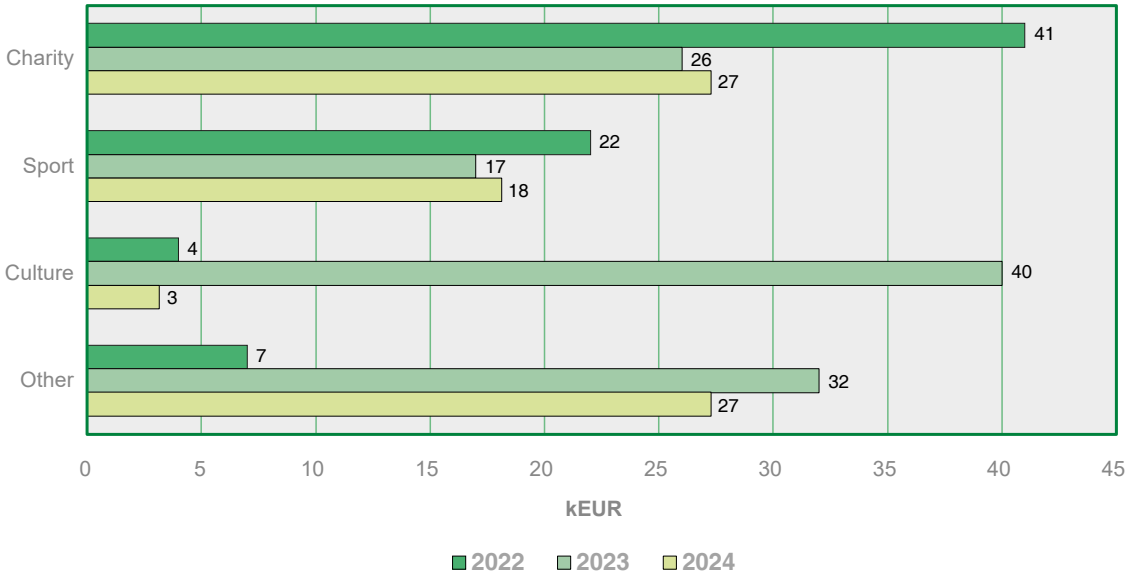
The *organisation* is not aware of any episodes of discrimination, or generally breaches of the *Code of Ethics*, during the reporting period.

6. Impacts on the local community

Right from the outset, *Caleffi* has always paid very close attention to the local communities, engaging administrations, institutions, associations and workers in the assessment of its impacts and development programmes.

In this perspective, we can state that 100 % of our operations and involved the main representatives of the local communities, in the forms and methods most suited to the context in question.

Donations



Attention to the local community also passes through *Caleffi*'s support to humanitarian associations, both through donations and the active involvement of some local social cooperatives: by outsourcing some assembly activities, the company includes, occupies and motivates disabled people in the cooperatives. Among these, the social cooperative "Lavoro Malgrado Tutto" is one of the external collaborators with which we hold stable relations.

Caleffi also promotes the "Christmas initiative" which - replacing Christmas gifts - we ask our suppliers to offer a financial contribution, amounts which the company doubles in order to donate to a local association chosen on a yearly basis.

In the three years, many donations have been made to local associations and organisations working to improve the living conditions of the more fragile people in the community, by modernising and restructuring heating systems in the "Casa della Carità" ("House of Chairty") in Borgomanero, as well as the donation of work instruments, computers and other equipment to those in need. Among the new initiatives in 2024, *Caleffi* supported the associations "Circuito Viola ODV" in Borgosesia, helping children suffering from rare and complex diseases, and "ParkinsOnMove APS" which supports people suffering from this condition.

In 2024, *Cristina* supported the Italian National Alpine and Speleological Rescue Corps in the Piedmont Region.

In relation to the branches, other highly ethical projects have been running for years.
Caleffi International N.V., in Weert, the Netherlands, takes part in a cycling race every year to raise money for cancer research: "De 1.000 km voor Kom". In 2024, the company chose to support charity projects for children in the Netherlands and Sierra Leone, offering access to education for all, overcoming physical or economic difficulties.
In 2024, Caleffi North America Inc. introduced the Volunteer time off policy, which offers employees the opportunity to devote 8 hours of their annual working hours to voluntary work in non-profit organisations working in the environmental, social and health fields.

Altecnic Ltd., in Stafford, UK, ha set up a Green Team aiming to gather more information on the branch's consumption and adopt methods to reduce it.

Caleffi Poland sp. zo.o supports various sports associations, including the Krakow football team, for athletes with disabilities. In relation to the topic of safeguarding water, on the other hand, it supports the national river cleaning project managed by The Czysta Rzeka Foundation.

In 2023 *Caleffi* began to cooperate with Worldrise, an *NGO* that works to protect the marine environment and the territory; this cooperation will also continue in 2025. In 2024, we organised the first clean up day, part of our all-round sustainability project *The Caleffi Green* which saw our *personnel* engaged in collecting waste in the municipality of Gargallo (NO). We also contributed to marine reforestation in some protected areas of the Italian coasts, training some employees in water conservation.

Relations with schools

The *group* has always supported the local communities, and is renowned for its close ties with the surrounding areas, supporting schools and universities through partnerships, initiatives and donations of materials and funding. As regards the world of education, we believe that training, innovation and new technologies are a strategic pillar for growth. The main initiatives promoted and implemented are described below, referred to the *parent company* and other Italian companies:

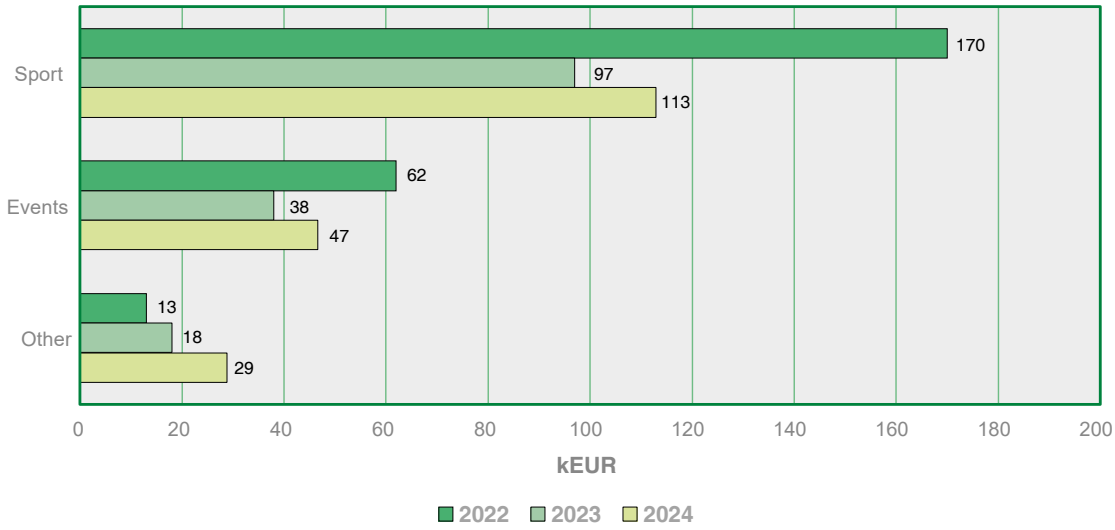
- *Open days* for students of local technical schools, having the chance to spend a day in the company, visiting the plants and finding out about the production processes, in order to shorten the divide between school and industry;
- Participation in the initiative organised by Confindustria: "PMI *DAY* - INDUSTRIAMOCI", for the final year students of high schools;
- Donation to some local technical schools of IT and mechanical equipment;
- Participation in and funding of the "Scuola del Futuro" project, an innovative three-year course at the OMAR industrial technical high school, teaching mechatronics, automation and robotics;
- Annually, many companies in the *group* participate in the soft skills development and work experience programmes ("PCTO") for students of local high schools;
- Curricular internships for university students.

To respond to the lack of *personnel* with technical and mechanical skills, the *Academy* was developed in some companies in the *group* in partnership with partner training facilities, aiming to train specialists in mechanics and *Industry 4.0*. At the end of the course, the students may be assessed for the purpose of recruitment.

Caleffi and other Italian companies in the *group* have joined the "Fondazione Academy", the accredited Piedmont agency that provide top quality training in the local area. The *group* supports the agency activities, actively participating in the training projects promoted by the Foundation, including the specialisation course "ITS Industria 4.0 & Robotica".

Moreover, *RDZ* also structured its training project for both in-house *personnel* and external *stakeholders*, including designers, installers and agents. This Academy delivers courses in blended mode.

Sponsorships

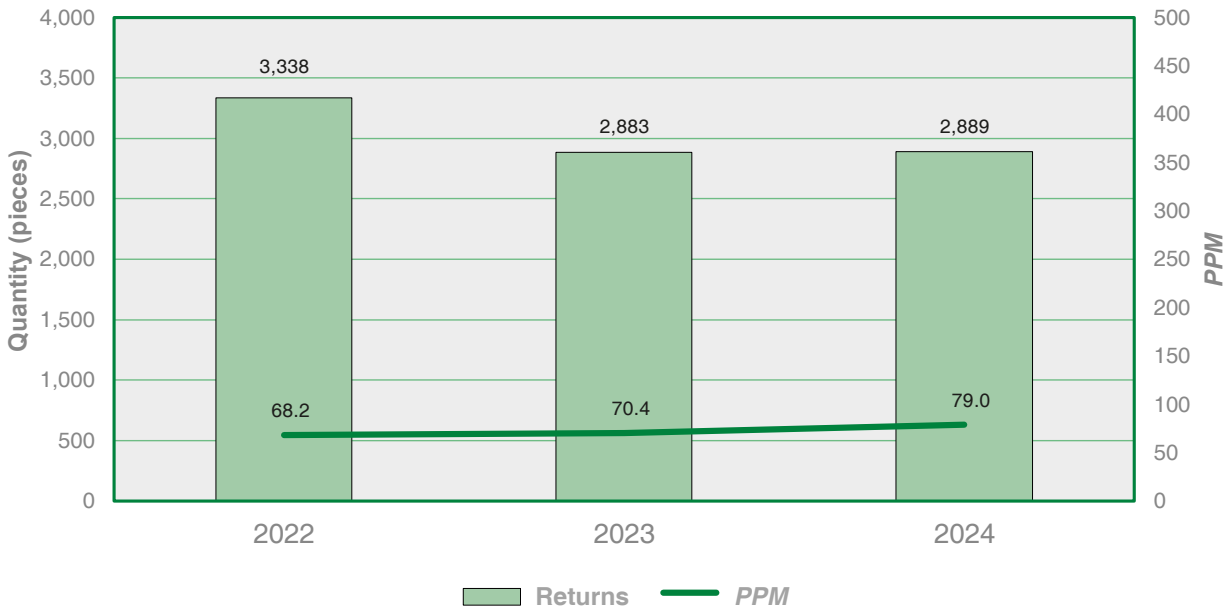


Sponsorships concerned mainly sports activities in the *parent company*'s local area. The most significant activities in this field are volleyball, with Agil Volley in Novara, rugby with Amatori Rugby in Novara and motocross with the Arco Moto Club and the Moto Club MMX in Maggiora. Participation in events and the sponsorship of local associations has also increased, including the Pro Loco in Fontaneto d'Agogna, the Free Rider Sport Events association that helps people with physical disabilities to enjoy winter sports.

7. *Customer satisfaction*

Customer satisfaction and an attentive, accurate level of service have always been some of the cornerstones of the *group*'s activities. The *organisation* has always sought to guarantee that the products placed on the market comply with high quality standards and that the experiences of installers and end users is as innovative as possible. This attention assures low levels of defects reported for the *Caleffi* products on the market.

Caleffi returns



Customer complaints are monitored by specific offices, qualified *personnel* and processes defined also with the support of the branches throughout the world. *Customer satisfaction* is measured through a weighted indicator that includes various parameters, including the number of reports, product defects (*PPM*) and direct feedback received from *OEM* customers on *supplier scorecards* or direct *audits*. The products marketed all respond to the criteria and legislation in the countries of destination. They are appropriately tested, also in certified test laboratories, and labelled in accordance with the reference standards. Particular attention is paid to the quality of products in the series involved in the safety of boilers and *HVAC and Plumbing* systems. For these product families, close attention and appropriate tests and certifications are assured.

The *group* is also promoting in-house activities to harmonise the quality management methods and processes in all the related participating entities. For this reason, in drafting the 2024 Sustainability Report only the data relating to *Caleffi* are given.

Finally, it is reported that the quality control processes already implemented by the *parent company* have also been extended to the branches Caleffi North America Inc. and Altecnic Ltd.

8. Protection of *privacy*

Privacy and confidentiality have always been considered a priority. With particular reference to the protection of personal data, each company has always complied with the laws in force in their own countries. In Italy Law no. 675/96 was applied, and subsequently Italian Legislative Decree no. 196/03. Currently all the companies located in the European Union comply with Regulation (EU) 679/16 (*GDPR*).

Until now no legislative breaches or "*data breaches*" have been recorded.

IMPROVEMENT PLAN

1. Environmental Area

In order to reduce electricity consumption, in 2025 we will continue to replace the lighting systems in our production sites using conventional bulbs with LED bulbs. Furthermore, having completed the activities required to recover the heat in the compressor room, at the *parent company* headquarters this energy will be used to heat the work environments.

Focusing our attention on production, the process to obtain *EPD* (*Environmental Product Declaration*) certification, relating to some product families, began in 2023. This document describes their *carbon footprint*. This will allow us to assess the environmental impact of our process and products in detail, referred specifically to CO_2 emissions. In July 2024 we obtained *EPD* certification for 60 % of our standard product series. This activity will continue in 2025, aiming to investigate not only the articles made from brass but also from plastic.

Increasing attention to sustainability has also led to the planning, for the next two years, in addition to what already planned for the validation and qualification of the suppliers for *direct materials* and *indirect materials*, le the following activities have been envisaged:

- analysis and monitoring of the *ESG* rating via an external supplier through the identification of *ESG* scores, divided by: *Environmental Social and Governance*;
- *procurement* of only FSC-certified packagings.

Moreover, in future, the *group* intends to promote an increasing number of sustainable initiatives through constant and continuous dialogue with the whole *supply chain*.

In 2025, with the support of Worldrise and the Municipality of Gozzano, we will be engaged in the clean up day along the banks of Lake Orta and will continue to invest in the 30x30 Italia project, aiming to protect at least 30 % of Italian waters by 2030. Finally, we will be delivering training to schools in the project “Il mare in aula”, engaging and raising awareness among the new generations.

An environmentally significant investment was made in the compressor station at *Caleffi 1* relating to heat recovery. We have been monitoring the efficiency data from early 2025.

2. Social Area

Accessible training for all has always been an added value for *Caleffi*. Transmitting knowledge with a view to the positive exchange with players in the reference market is an advantage for both sides: growing together and mutual strengthening is undoubtedly positive.
Caleffi has always invested in training new talents, convinced of the fundamental importance of young people in the working environment.

With a view to improving *personnel* satisfaction and employee well-being and fully welcoming dialogue, in the first quarter of 2024 a Climate Analysis was conducted in *Caleffi*. The aim was to obtain a snapshot of the everyday living conditions for each company division, in order to plan any interventions to improve any critical points emerging. The *parent company* aims to extend the same questionnaire also to other companies in the *group*.

The need to expand *Caleffi 1* in Fontaneto d'Agogna derives from the need for more logistics spaces. At the same time, we chose to improve employee services through the future construction of a new canteen, new changing rooms and new office spaces.

February 2025 saw the inauguration of the help desk at *Caleffi* and *Pressco*, in partnership with CNW, promoting the individual and organisational well-being of all our people. This initiative was initially launched at *Cristina* in 2024.

Aiming to intensify our ties with the local communities we work in, we asked all the companies in the *group* to consider implementing charity initiatives with organisations in the areas in which they operate.

STATEMENT OF USE, GRI CONTENTS INDEX AND NOTIFICATION TO GRI

GRI 2: GENERAL DISCLOSURES (2021)	
GRI indicator	
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GRI 1 used	GRI 1 – Foundation – version 2021
The *organisation* and its reporting practices	
GRI 2-1	Organisational details
GRI 2-2	Entities included in the *organisation*'s sustainability reporting
GRI 2-3	Reporting period, frequency and contact point
GRI 2-4	*Restatements* of information
GRI 2-5	External assurance
Activities and workers	
GRI 2-7	Employees
GRI 2-8	Workers who are not employees
Governance	
GRI 2-9	Governance structure and composition
GRI 2-10	Nomination and selection of the highest governance body

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Strategy, policies and practices	
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GRI 2-24	Embedding policy commitments
GRI 2-26	Mechanisms for seeking advice and raising concerns
GRI 2-27	Compliance with laws and regulations
GRI 2-28	Membership associations
***Stakeholder* engagement**	
GRI 2-29	Approach to *stakeholder* engagement
GRI 2-30	*Collective bargaining agreements*

SPECIFIC STANDARD DISCLOSURE	
GRI indicator	
GRI 3 – Material Topics (2021)	
GRI 3-1	Process to determine material topics
GRI 3-2	List of material topics
GRI 3 – Material Topics (2021)	
GRI 3-3	Management of material topics
GRI 201 – *Economic* performance 2016	
GRI 201-1	Direct economic value generated and distributed
GRI 201-2	Financial implications and other risks and opportunities due to climate change
GRI 201-3	Defined *benefit* plan obligations and other retirement plans
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GLOSSARY

- *AEOF certification*: certification confirming that a company is reliable, efficient and compliant with international trade rules, financially sound and with no outstanding serious customs disputes.
- *Audit*: independent assessment aiming to obtain evidence of a given topic and assess it objectively, in order to establish to what extent the set criteria have been met or not.
- *Boring*: mechanical operation used to correct the axiality and diameter of the holes.
- *Business continuity*: the ability of a company, *organisation* or business to continue to supply its products and services following an event that threatens its normal operations.
- *Business partner*: with reference to Italian Legislative Decree no. 24/23, directors, shareholders, managers, members of company and control bodies, employees, *temporary workers*, trainees, professionals, consultants, suppliers and all other company *stakeholders*.
- *Caleffi*: Caleffi S.p.A. *Industrial holding* of the *Caleffi group* with headquarters in S.R. 229, n. 25, Fontaneto d'Agogna (NO), Italy, Tax Code - VAT no. - Companies' Register no. 04104030962, Share Capital EUR 6,000,000 fully paid up.
- *Caleffi 1*: the production site of *Caleffi*, in Fontaneto d'Agogna (NO/Italy), in S.R. 229 no. 25.
- *Caleffi 2*: the production site of *Caleffi*, in Fontaneto d'Agogna (NO/Italy), in S.R. 229 no. 23.
- *Caleffi 3*: the production site of *Caleffi*, in Gattico-Veruno (NO/Italy), in Via Maggiate n.15.
- *Caleffi Academy*: training programme promoted and managed directly by *Caleffi* to school leavers with a technical background, aiming to create new specialists in the field of mechanical processing with a view to *Industry 4.0*.
- *Caleffi group*: the *group*.
- *Carbon footprint*: the measure that expresses the total greenhouse gas emissions, expressed in generally in tonnes of CO_2 equivalent associated directly or indirectly to a product, service or *organisation*.
- *Code of Ethics*: in the "economy" of the system described in *Italian Legislative Decree no. 231/01*, the official document of the entity containing the set of rights, duties and responsibilities of the *stakeholders* (employees, suppliers, customers, Public Administration, shareholders, financial market, etc.). The Code sets out to recommend, promote or prohibit certain conduct and may contain a disciplinary system of sanctions in line with the severity of any breaches committed. The *Code of Ethics* may therefore be defined as a collection of ethical principles and, along with the Organisation and Management Model, constitutes an essential element of the preventive control system in relation to the commission of offences contained in the "catalogue" referred to in articles 24 and following of *Italian Legislative Decree no. 231/01*.

- *Collective bargaining agreement*: contract governing the working conditions and terms of employment of *permanent workers*. It is signed following a series of negotiations held between one or more employers' organisations and one or more workers' organisations (for example, trade unions).
- *Company reward policy*: the set of salary and incentive schemes adopted by the company to remunerate the work performed by employees and collaborators.
- *Company welfare policy*: all the initiatives, benefits and plans implemented by the employer to improve the employees' working quality and quality life.
- *Covid-19*: respiratory syndrome caused by the SARS-CoV-2 virus, a new strain of coronavirus that had not been identified for humans.
- *Cristina*: Cristina S.r.l, with headquarters in Via Giuseppe Fava, n. 56, Gozzano (NO), Italy, Tax Code - VAT no. - Companies' Register no. 00309260032, Share Capital EUR 1,000,000 fully paid up.
- *Customer care*: the set of all services provided to the customers before, during and after the purchase of a product or service.
- *Customer satisfaction*: the degree of *customer satisfaction* towards a product, service and/or company.
- *CUBOROSSO*: Caleffi S.p.A. research centre where product tests and research are performed for the development of new products.
- *Data breach*: a safety breach that leads - accidentally or unlawfully - to the destruction, loss, modification, unauthorised disclosure or access to personal data transmitted, stored or in any case processed.
- *Defined benefit plans*: benefits after the end of the employment relationship including pensions, one-off payments made on retirement, life and medical insurance. The underlying obligation is not related to defined contributions but defined benefits.
- *DEFRA*: Department for Environment Food and Rural Affairs.
- *Direct materials*: materials directly used in the production process.
- *ECO*: aiming to save water and energy.
- *Employee Severance Pay*: in Italian legislation, this is payment made to the employee by the employer on termination of the contract of employment.
- *EPD (Environment Product Declaration)*: document describing the environmental impacts linked to the production of a specific quantity of the product or service (e.g., energy consumption and consumption of raw materials, production of waste, emissions into the atmosphere and discharges into water bodies). It therefore highlights the environmental performance for improving sustainability.
- *ESG*: Environmental Social & Governance.
- *ESRS (European Sustainability Reporting Standards)*: standards developed to standardise the way in which European companies report on their environmental, governance and social (*ESG*) impacts.
- *European Green Deal - Circular Economy Action Plan*: in March 2020 the European Commission adopted the new circular economy action plan (CEAP). This is one of the main founding elements of the *European Green Deal*, the new European agenda for sustainable growth. The EU transition to a circular economy will reduce the pressure on natural resources and create sustainable growth and new jobs. It is also a prerequisite for achieving EU carbon-neutrality goals by 2050 and to stop the loss of biodiversity. The new action plan includes product life-cycle initiatives. It focuses on the design of products, promoting circular economy processes, encouraging sustainable consumption and aiming to ensure that wastes are prevented and that the resources used are kept in the EU economy for as long as possible. It introduces legislative and non legislative measures targeting the sectors in which EU-level action can offer real added value.

- *EVG&D*: Economic value generated and distributed.
- *Fratelli Creola*: Fratelli Creola S.r.l, with headquarters in Via Morena n. 10, Gozzano (NO), Italy, Tax Code - VAT no. - Companies' Register no. 024266700362, Share Capital EUR 23,400 fully paid up.
- *Full-time*: generally a 40-hour working week.
- *GDPR (General Data Protection Regulation):* the European Union regulation governing the way in which companies and other organisations process personal data. The *GDPR* has significantly affected other data *privacy* laws across the world and requires compliance by all *organisations* accessing the personal data of persons in the European Union.
- *GHG*: greenhouse gas.
- *GRI Standard*: guidelines published by the Global Sustainability Standard Board (GSBB).
- *Group*: *Caleffi* and the companies directly or indirectly controlled by it, pursuant to Art. 2359 of the Italian Civil Code, included in the scope of consolidation.
- *Headcount*: number of employees.
- *HR (Human Resources)*: human resources.
- *HVAC & Plumbing (Heating, Ventilation and Air Conditioning & Plumbing)*: the heating, ventilation and air conditioning & plumbing sector.
- *Indirect materials*: materials not directly used in the production process.
- *Industrial holding*: organisation whose activities include the assumption of interests in companies other than financial intermediaries.
- *Industry 4.0*: indicates an industrial automation trend integrating some new production technologies to improve working conditions and increase the productivity and production quality of plants.
- *Italian Legislative Decree no. 81/08*: Italian decree governing occupational health and safety.
- *Italian Legislative Decree no. 102/14*: legislative decree establishing a framework of measures to promote and improve energy efficiency.
- *Italian Legislative Decree no. 231/01*: legislative decree governing the liability of entities for offence-related administrative crimes.
- *Italian Legislative Decree no. 152/06*: legislative decree containing the main rules governing environmental protection.
- *Italy's Best Employers*: study rewarding the best companies to work for according to employee evaluations.
- *Labour laws:* regulations in the countries where there are no specific *collective bargaining agreements*.
- *Kitchen & Bath*: the domestic water hardware sector for kitchens and bathrooms.
- *Manufacturing Training System (MTS)*: method of building learning systems to provide production operators with the necessary skills to: improve activities, increase productivity, maintain a healthy and safe work place and keep abreast of technological knowledge.
- *MBO (Management By Objectives)*: form of variable remuneration based on the results achieved in relation to the objectives set by the company.
- *Near-miss*: potentially harmful event, linked to the presence of situations or agents of intrinsic "hazardousness" which, due to unforeseen situations, do not cause personal injury or damage to property.
- *NGO*: Non-Governmental Organisation.

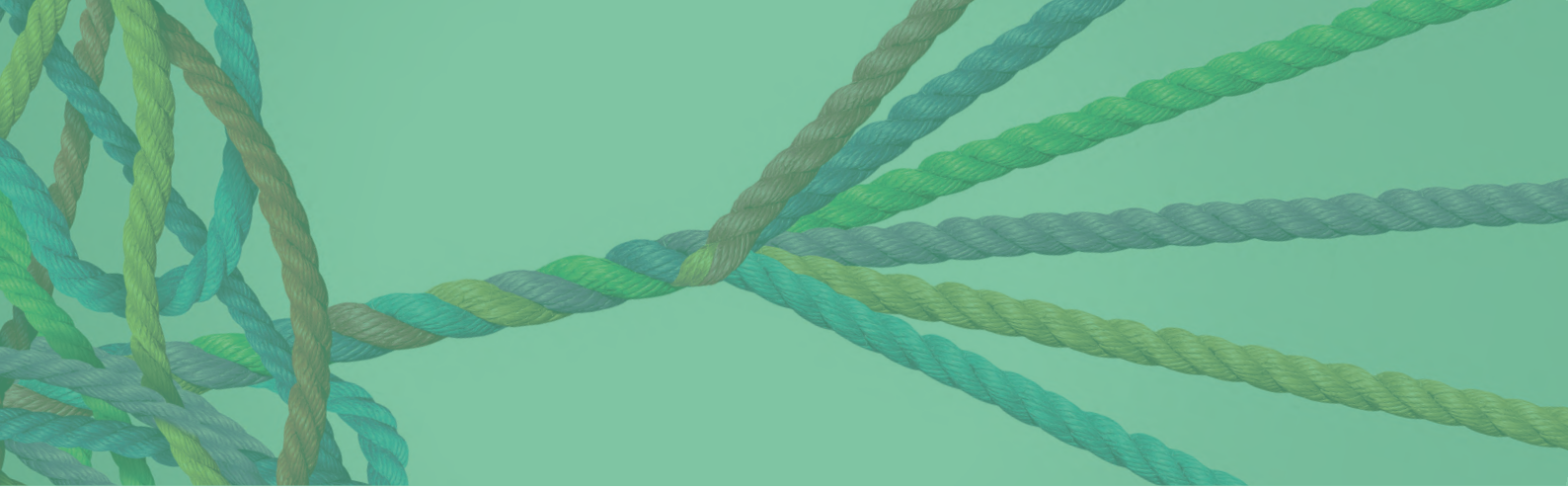
- *OEM*: Original Equipment Manufacturer.
- *Open day*: day on which the premises of a private organisation are opened to the public interested in visiting the site.
- *Organisation*: the party drafting this Sustainability Report, i.e., the *group*.
- *Organisational Model pursuant to Italian Legislative Decree no. 231/01*: a set of protocols governing and defining the company structure and the management of its sensitive processes.
- *Parent company*: Caleffi S.p.A.
- *Part-time*: work contract with reduced working hours.
- *Performance*: set of results achieved and behaviour adopted by the individual working in the *organisation*.
- *Permanent employees*: human resources working in the company with a permanent contract of employment.
- *Personnel*: human resources working in the company. Includes *temporary workers* and trainees.
- *PPM (Parts Per Million)*: dimensionless unit of measurement indicating a ratio between uniform measured quantities of a million to one.
- *Pressco*: Pressco S.p.A. with headquarters in Strada Regionale n. 142 Biellese, Km. 48,8, Invorio (NO), Tax Code - VAT no. - Companies' Register no. 00112900030, Share Capital EUR 2,600,000 fully paid up.
- *Prevention and protection service*: set of people, systems and external or internal means in the company aiming to prevent and protect workers from professional risks.
- *Privacy*: the private sphere of each individual and, particularly, the set of personal information we would like to keep confidential, excluding access by others.
- *Procurement*: the process through which the goods and services necessary for the business are obtained.
- *RDZ*: RDZ S.p.A. with headquarters in Viale Trento n. 101, Sacile (PN), Tax Code - Companies' Register no. 02406000261, VAT code 00635650930, Share Capital EUR 398,400, fully paid up.
- *REACH Regulation*: regulation concerning the registration, evaluation, authorisation and restriction of chemical substances.
- *Restatement*: restatement of data.
- *RM*: Raw Materials.
- *Safety Delegate*: person in the company appointed by the Employer to hold obligations and powers relating to prevention.
- *Scope 1 CO_2 emissions*: emissions include direct emissions from the sources owned or controlled by the company (e.g., deriving from the circulation or company vehicles).
- *Scope 2 CO_2 emissions*: these include indirect emissions of greenhouse gases deriving from purchased or acquired energy (e.g., electricity).*Security awareness training*: company activity to raise awareness among *personnel* on IT security.
- *Stakeholder*: all parties, individuals or organisations, actively involved in an economic initiative (project, company), the interest in which is negatively or positively influenced by the results of the performance, or progress, of the initiative and the action or reaction of which in turn influences the phases or completion of a project or fate of an *organisation*.
- *Standard GRI (GRI Standards)*: *GRI Standard* guidelines published by the Global Sustainability Standard Board (GSSB).

- ***STEM***: Science, Technology, Engineering and Mathematics.
- ***Supply chain***: the process used to take a product or service to the market, transferring it from supplier to customer. Also known as the *procurement* chain.
- ***Supplier scorecard***: document summarising the *performance* of a supplier towards the customer on the basis of specific indicators (e.g., quality, cooperation, costs, delivery accuracy, etc.). *Caleffi* may issue this to suppliers or may be issued by *OEM* customers when *Caleffi* acts as supplier.
- ***Tapping***: mechanical operation to create a thread.
- ***Temporary workers***: human resources working for the company with temporary contracts in accordance with Italian Legislative Decree no. 276/03 or similar contract for countries other than Italy.
- ***The Caleffi Green***: project run by the *parent company* with a view to climate control, sustainable comfort, energy saving, protection of health and water.
- ***Turnover***: ratio of the *personnel* voluntarily leaving the *group* and the total number of *group personnel.*
- ***UN***: United Nations.
- ***UNI EN ISO 45001:2023***: technical standard that helps organisations to implement an occupational health and safety management system in order to better manage risks and improve their performance through the creation and implementation of effective policies and objectives.
- ***Welfare***: see *company welfare*.

SYMBOLS

Represents the *parent company* logo. Each paragraph is accompanied by a scale of one to four symbols. This scale represents the level of relevance of the material topics reported by *Caleffi* on the basis of the results of the materiality analysis. For more details refer to the chapter "Materiality Analysis".

L – Low	– low impact	
M – Medium	– medium impact	
H – High	– high impact	
VH – Very High	– very high impact	



METHODOLOGICAL NOTE AND CONTACT POINT

This Report was drafted by reporting on a selection of the "Global Reporting Initiative Sustainability Reporting Standards" (GRI-Referenced claim) defined by the Global Reporting Initiative (GRI). In line with the provisions of the *GRI Standards*, the *group* was:

- inspired by the principles of *stakeholder* inclusiveness and completeness to define the contents, assessing its own sustainability context in advance;
- inspired by the principles of balance, clarity, accuracy, timeliness, comparability and reliability, to guarantee the quality of information and the suitability of the presentation methods.

As there is not a GRI for the specific sector applicable to the organisation, reference was made, where applicable, to the *GRI standards* of other sectors.

The information and data contained in this Sustainability Report refer to the activities undertaken during 2024 and precisely from 1 January 2024 to 31 December 2024, unless otherwise indicated and specifically justified.

The quantitative data given in the Sustainability Report consider, where possible, a three-year time frame in order to allow their progress to be assessed over time. The economic and financial values are taken from the consolidated *group* financial statements and the financial statements of the individual companies belonging to the *group*. The economic and financial statements were subjected to auditing in accordance with the define *audit* plan. The data relating to 2023 and 2022, where present, are given for comparative purposes only.

Where the document contains data produced from estimates, this is suitably reported. Some data could be rounded off due to the units of measurement adopted in the report.

The 2024 Sustainability Report was subjected to limited accounting *audits* (external assurance) by Deloitte & Touche S.p.A. It was also drafted and validated by the Board of Directors of Caleffi S.p.A.

For any information concerning the Sustainability Report, write to the following e-mail address: info@caleffi.com

The report is also available on the company website: www.caleffi.com

EXTERNAL ASSURANCE

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INDEPENDENT AUDITOR'S REPORT
ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Caleffi S.p.A.

We have carried out a limited assurance engagement on the sustainability report of Caleffi S.p.A. and its subsidiaries (hereinafter also "Group") as of December 31, 2024.

Responsibility of the Directors for the sustainability report

The Directors of Caleffi S.p.A. are responsible for the preparation of the sustainability report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – *Global Reporting Initiative* (hereinafter "GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the sustainability report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the sustainability report with the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the sustainability report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised ("*reasonable assurance engagement*"), and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the sustainability report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the sustainability report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1) analysis of the process relating to the definition of material aspects disclosed in the sustainability report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;

2) comparison between the economic and financial data and information included in the sustainability report with those included in the Group's Financial Statements;

3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the sustainability report.

   In particular, we carried out interviews and discussions with the management of Caleffi S.p.A. and with the personnel of Cristina S.r.l., Presco S.p.A. and R.D.Z. S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the sustainability report.

Deloitte.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:

  a) with regards to qualitative information included in the sustainability report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

- for the following companies, Caleffi S.p.A., Cristina S.r.l., Pressco S.p.A. and R.D.Z. S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the sustainability report of Caleffi Group as of December 31, 2024, is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the sustainability report.

Other matters

The data for the year ended December 31, 2022, presented for comparative purposes in the sustainability report have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Signed by
Luca Scagliola
Partner

Turin, Italy
May 9, 2025

This report has been translated into the English language solely for the convenience of international readers.