



SUSTAINABILITY REPORT

2020/2021/2022

ABSTRACT

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From the left: Michele Bortolami, Valeria Niboli, Orlando Niboli, Marilena Niboli, Roberta Niboli and Franco Franzoni

LETTER TO THE STAKEHOLDERS

We are proud to present our new sustainability report: a document with which Fondital reports on its sustainability-related activities, goals, and achievements, in order to share them with its stakeholders.

Marred by fragility, volatility, and uncertainty, the past three years have made us realise even more how much the company is an asset to the community, the country, and the supply chain as a whole, and how important it is to proactively respond to change.

Fortunately, we have always had a strong propensity for continuous improvement ingrained within our DNA, and this has allowed us to stay ahead of the times.

In 2021 there was a positive trend in the field of domestic heating products.

Fondital implemented a policy of maintaining high stock levels in its warehouse, which allowed it to continuously meet all of its customers' needs, thus consolidating its market position.

In addition to the radiator line, the company has also seen an exponential growth in sales of high-efficiency boilers and heat pumps in every market where it is present.

The investments made in over 5 plus years in the development of the Automotive division have made Fondital a unique worldwide supplier, offering an entire production chain consisting of more than 10 production processes to automakers who would normally rely on three or more suppliers to produce a single part.

This forward-looking policy and constant control of the supply chain has allowed the company to acquire orders from major premium automakers in Germany, which will generate a turnover of approximately €120,000,000 from 2023 to 2027.

With the Automotive project, in 2017 the company began converting a portion of its plants from radiator production to the production of structural castings for car body.

Having anticipated the European directives and our stakeholders' heightened awareness of product and production sustainability, we have managed to tackle the challenges of the future with courage and determination, leveraging our corporate know-how, our employees' ongoing training, and constant investments in Research and Development to develop innovative low-carbon products for the supply chains and end consumers.

The Chairman

Orlando Niboli

The Chief Executives

Marilena Niboli

Valeria Niboli

Roberta Niboli

Franco Franzoni

Michele Bortolami



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

TURNOVER



INVESTMENTS

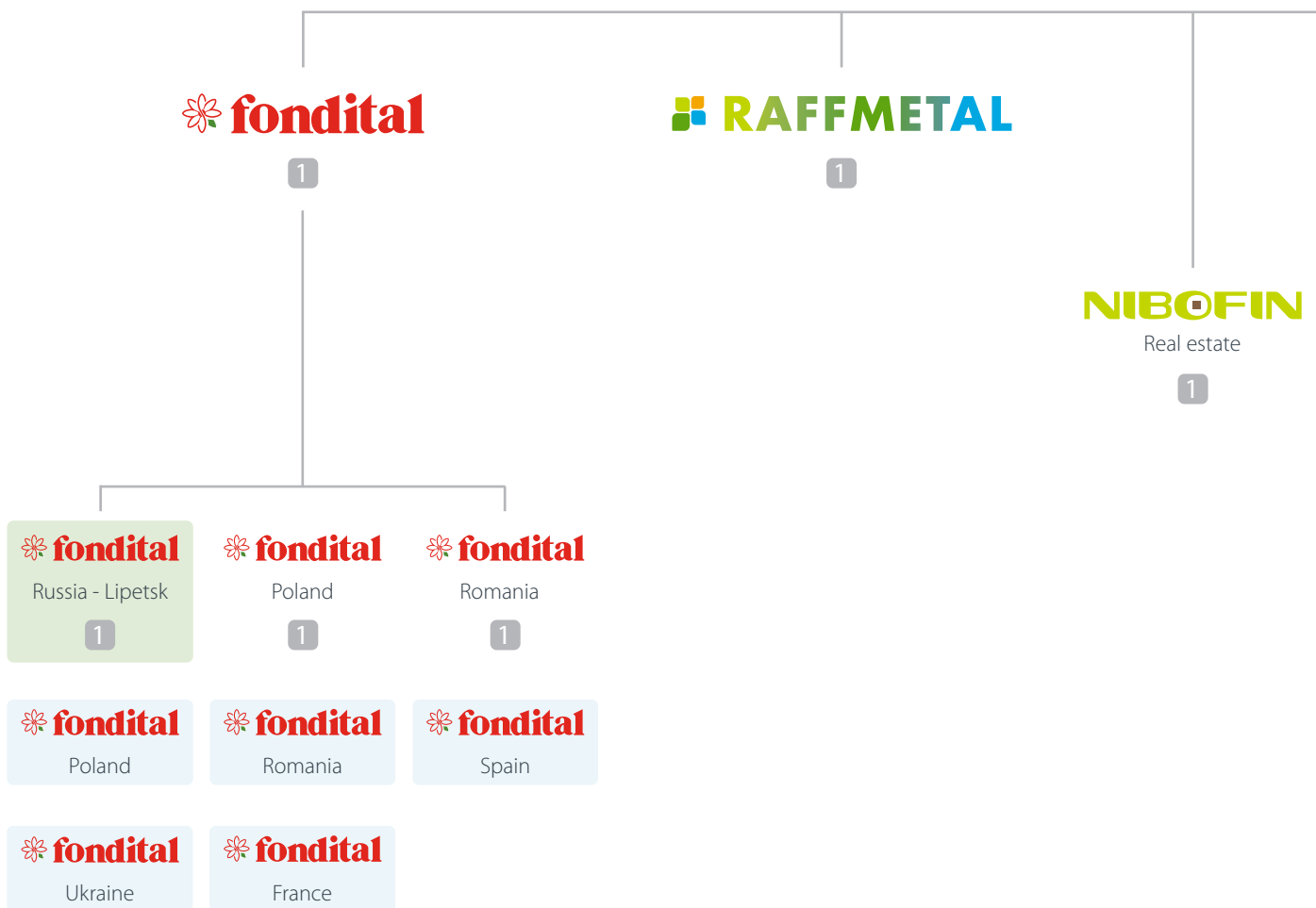


EMPLOYEES



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

1.1 ORGANISATIONAL CHART



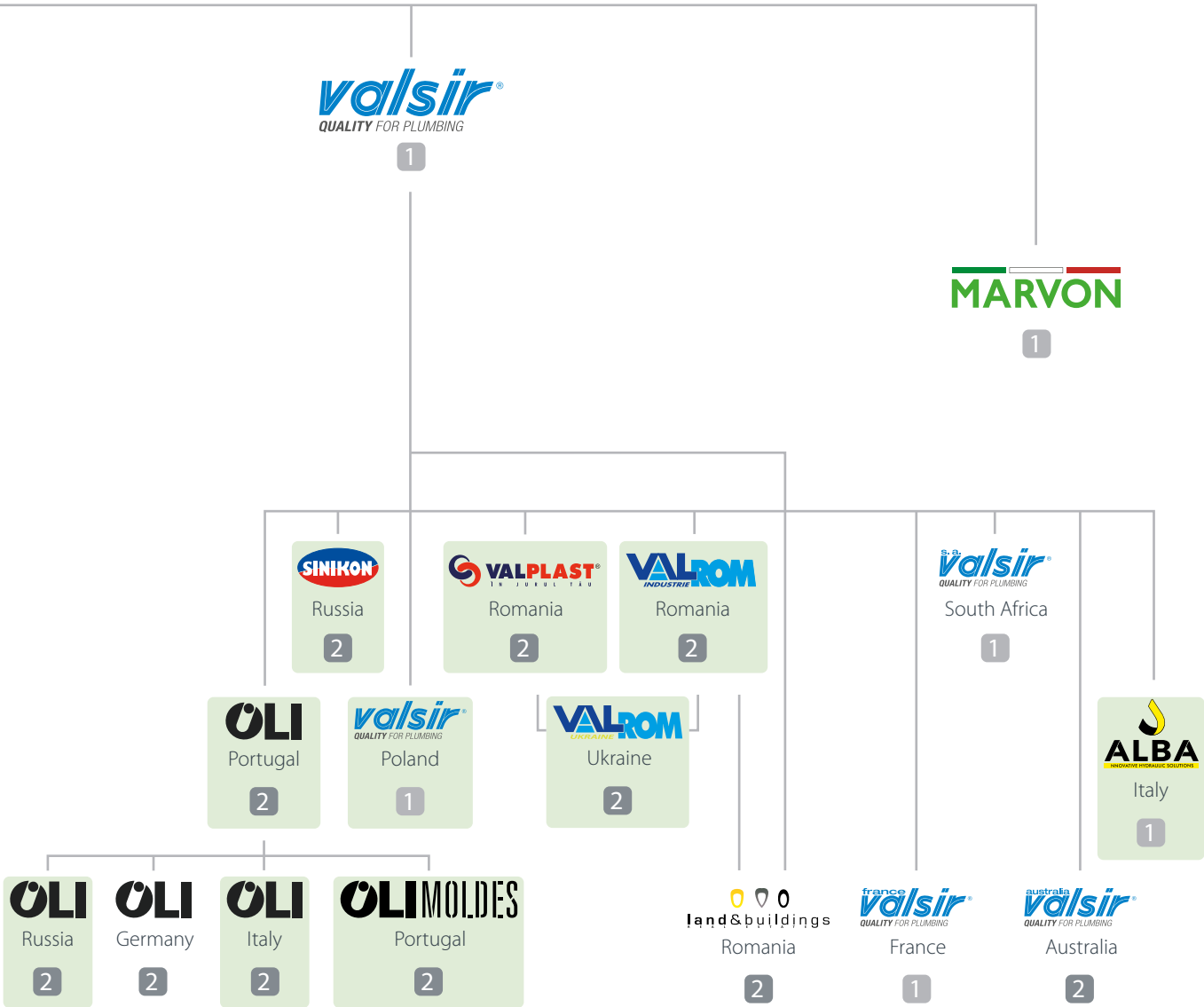
1 Subsidiary company

2 Associated company

Production companies

Sales and service network

GROUP



1.2 EVOLUTION

The beginning of a
DREAM...

1963

FREDDI & NIBOLI

1970

fondital
RADIATORS

1979

RAFFMETAL
PRODUCTION OF
RECYCLED ALUMINIUM
ALLOYS

2012

fondital
HEAT PUMPS

2009

NIBOFIN
ITALY

2006

VALROM
UKRAINE

2003

fondital
RENEWABLE ENERGY
BOILERS

land&buildings
ROMANIA

2013

fondital
ELECTRIC RADIATORS

2015

valsir
INDIA

2016

valsir
AUSTRALIA

2018

ALBA
ITALY

RAFFMETAL
ENERGY RECOVERY AND
PRODUCTION

valsir
SOUTH AFRICA

OLI
RUSSIA

OLI
GERMANY

1987

valsir
PLUMBING
APPLICATIONS

1989

RAFFMETAL
SALT RESIDUE
RECOVERY PLANT

1992

NOVA FLORIDA
RADIATORS

1993

OLI
BATHROOM
SOLUTIONS

OLI
ITALY

OLIMOLDES
PORTUGAL

2002

MARVON
ELECTROPLATING

VALPLAST
ROMANIA

SINIKON
RUSSIA

1999

valsir
POLAND

valsir
FRANCE

1996

VALROM
ROMANIA

1995

RAFFMETAL
SHREDDING AND
SORTING OF SCRAP
MATERIALS

looking to the
FUTURE

2019

fondital
RUSSIA

2020

fondital
AUTOMOTIVE –
STRUCTURAL PARTS

RAFFMETAL
SPECIAL ALLOYS

2022

fondital
AUTOMOTIVE –
ELECTRIC CARS

2024

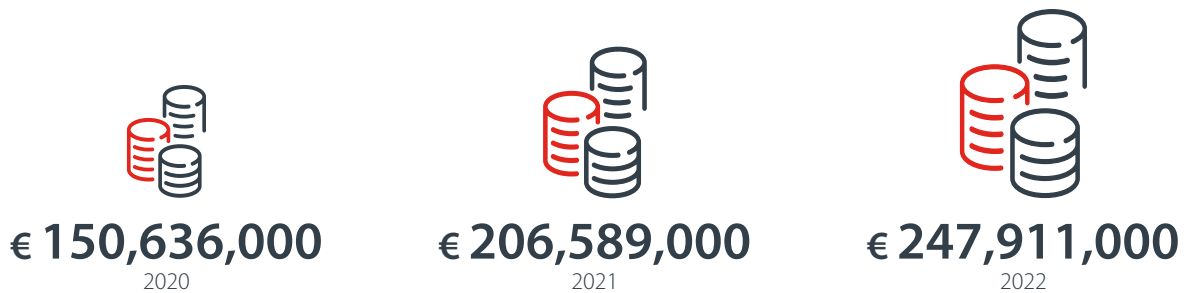
fondital
FANCOILS



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

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

TURNOVER



INVESTMENTS



EMPLOYEES



2.1 PLANTS



PLANT C1 Vobarno (BS)

Production site for die-cast radiators, structural castings for Automotive and Special Alloys sectors



PLANT C2 + C3 Vobarno (BS)

Administrative, commercial and technical offices. Boiler production site, electric radiators and Automotive structural castings



PLANT V1 Vestone (BS)

Production site for extruded radiators



PLANT V2 Vestone (BS)

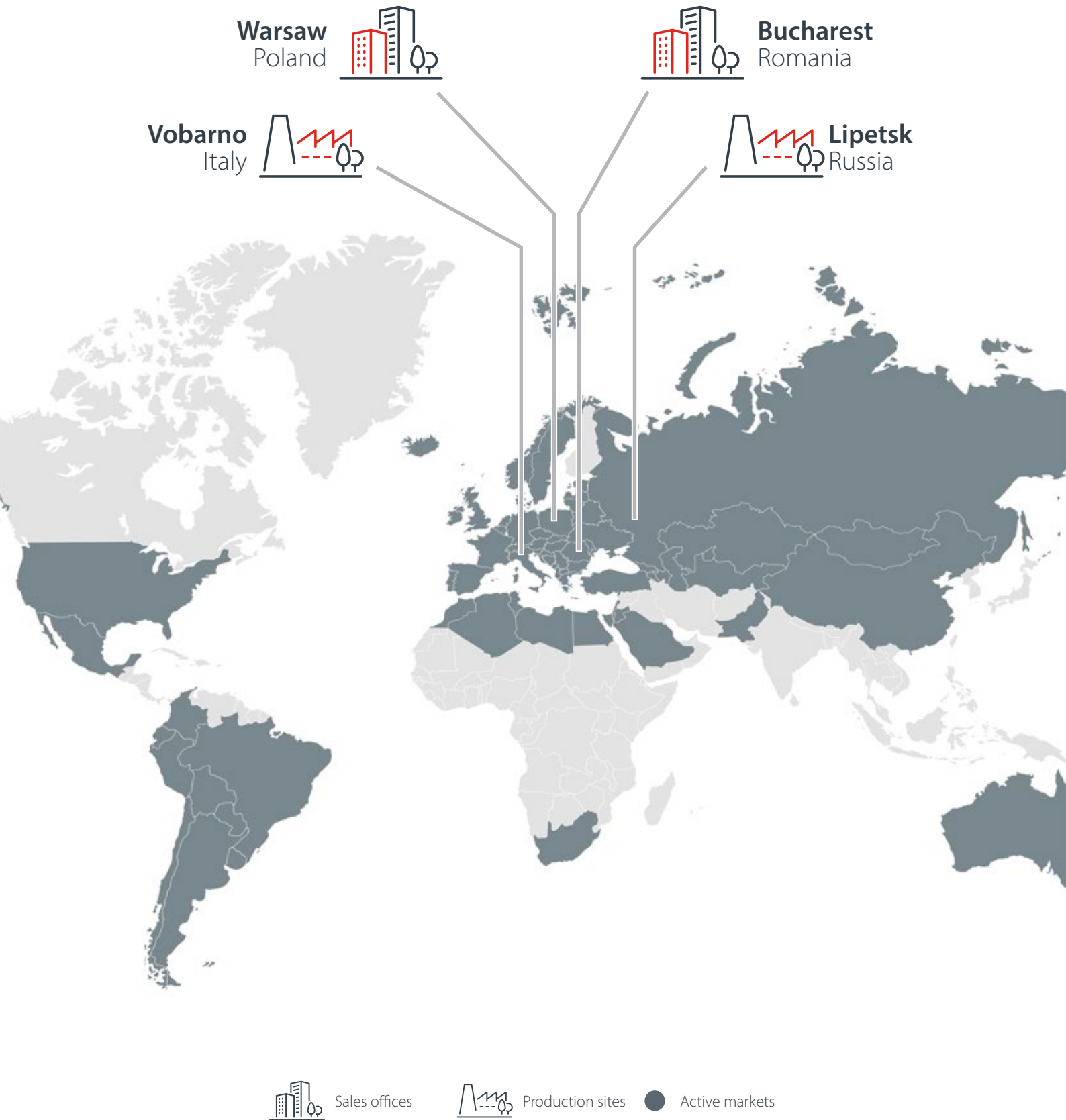
Mechanical production site for mould construction



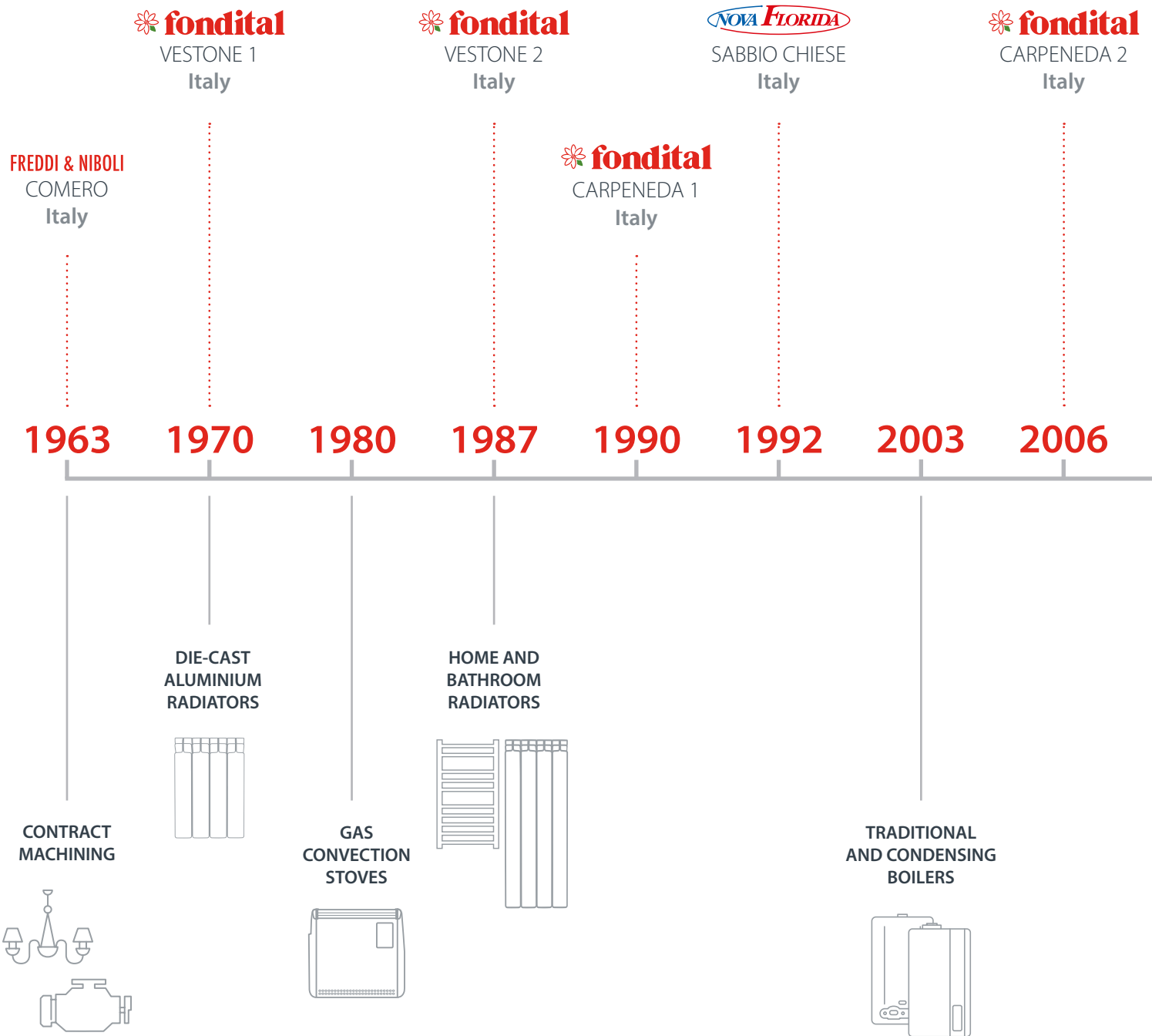
LIPETSK PLANT Russia

Production site for die-cast radiators and boilers

2.2 WORLDWIDE PRESENCE



2.3 EVOLUTION



fondital
CARPENEDA
1 EXPANSION
Italy

fondital
LIPETSK
Russia

fondital
CARPENEDA 3
Italy

fondital
CARPENEDA
3 EXPANSION
Italy

2011

2012

2013

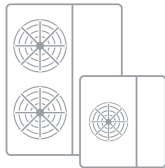
2019

2020

2022

2024

HEAT
PUMPS



ELECTRIC
RADIATORS



STRUCTURAL
COMPONENTS FOR THE
AUTOMOTIVE INDUSTRY



COMPONENTS
FOR ELECTRIC
CARS



FANCOILS



2.4 MISSION, VISION AND VALUES



Our mission is to produce heating systems and structural castings for the Automotive sector, manufacturing high-quality products using the most advanced industrial technologies. We are committed to operating efficiently, minimising our energy consumption and promoting sustainable processes that respect the environment. We want to be a centre of expertise and added value for the territory in which we operate.

We want to be an innovative company in the production of efficient and sustainable products, creating strong partnerships with our stakeholders, enhancing our local roots to be a global reference.



2.5 CURRENT SUSTAINABILITY LEVERS



EUROPEAN GREEN DEAL

Within the framework of the European Green Deal, the EU has set itself the essential goal of achieving climate neutrality by 2050. As an intermediate step, it has committed to reducing emissions by at least 55% with respect to the 1990 levels by 2030.



EUROPEAN FINANCIAL TAXONOMY

In order to provide investors with a tool to protect them against greenwashing, the European Union is classifying which economic activities can be defined as “sustainable” through its Financial Taxonomy.



ESG

An acronym for Environmental, Social, and Governance, or rather the three central factors for determining the sustainability of a corporate investment:

- ENVIRONMENTAL: a company’s conduct towards its surrounding environment.
- SOCIAL: impact on stakeholders and the territory.
- GOVERNANCE: management that upholds good practices and ethical principles.



THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In September of 2015, the United Nations approved the 2030 Agenda, consisting of 17 Sustainable Development Goals (SDGs) and 169 sub-goals, as a strategy “to achieve a better and more sustainable future for all.”

The working groups involved in the preparation of the Sustainability Report identified which SDGs are relevant to the company, and even linked them to their own sustainability projects.



3 PRODUCTS



The product represents the core element of Fondital's innovation strategy for the development of new solutions aimed at **saving energy** and **reducing CO₂ emissions**. Not to mention **productivity, durability, recycled material content, and recyclability** of the finished product.

The company constantly invests in processes and technologies aimed at ensuring sustainable growth. **The R&D departments consist of over 30 professionals, including engineers, and product and process technicians, who are able to rely on state-of-the-art in-house laboratories.**

Fondital values each individual stage of the production chain: in addition to product design and manufacture, the company also offers technical support and an extensive service network to meet every consumer need.



Hydronic radiators



Electric radiators



Boilers



Water heater



Heat pumps



Hybrid systems



Thermal solar



Automotive



3.1 HYDRONIC AND ELECTRIC RADIATORS

The first Fondital-branded radiator was placed on the market in 1970, and was immediately a resounding success. In fact, Silvestro Niboli had foreseen the competitive potential of the product and, above all, of aluminium as a material capable of replacing cast iron and other heavy materials, thus anticipating its strategic importance: aluminium is now considered the **circular material** par excellence, and is playing a major role in various sectors, including the construction and automotive industries.

Over **50 years of experience** in the field of die casting

The aluminium used for radiator production comes from recycling, and is supplied by Raffmetal, a sister company which is located just a few kilometres from Fondital, and is Europe's leading producer of recycled aluminium alloys.

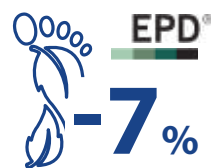


The Blitz Super B4 - die-cast hydronic radiator

All the aluminium is supplied in the liquid state, so that the ingots are not remelted, thus increasing the efficiency of the foundry, reducing the carbon footprint, and decreasing costs.

The liquid aluminium that Fondital uses for the production of its die-cast radiators is EPD (Environmental Product Declaration) certified, with a carbon footprint of 1.74 kg CO₂eq/kg Al (cradle to gate).

The use of recycled aluminium in its liquid state as opposed to aluminium ingots offers several significant advantages:



*In-house data elaboration.

**Data source: EA Circular Aluminium Action Plan (2020), LCA Cradle to Gate Raffmetal and University of Siena, Database Ecoinvent 3.6, Software SimaPro 9.1.1, Method CML-IA.

Over the years, the knowledge gained through Research and Development has allowed Fondital to significantly reduce the amount of aluminium contained in its radiators without altering their thermal performance, achieving an average reduction of 20-25%, with peaks of 30%.

This is also thanks to patented innovations, such as a thermo-electrically fused cap, and a shorter central radiator fin.

Reduction of radiator aluminium content, reduced weight, and same thermal performance

The electric radiator range is gradually being digitalised through the DOMUS ONE application for the remote management and display of the actual daily, monthly, and annual energy consumption data.

Starting in 2019, the polystyrene packaging of the hydronic radiators, electric radiators, and boilers was gradually replaced with cardboard packaging.

The hydronic radiators are currently shipped to the customer in standard packaging with an average recycled cardboard content of 60%, while the electric radiators are shipped in packaging with an average recycled cardboard content of 85%.



The eCool ED - Electric radiator



FUTURE GOALS

- Consolidation of partnerships with co-production projects.
- Internal implementation of the radiator coating phase.

3.2 BOILERS

Fondital has dedicated considerable resources to Research and Development since 2003 in order to ensure maximum efficiency and consistent quality levels for its boiler range.

Preventing the risk of accidents related to malfunctioning or ageing heating systems, and improving their energy efficiency, are the goals underlying the continuous quality control of Fondital boilers.

Quality controls during acceptance using state-of-the-art instrumentation, **laboratories, and fully-equipped metrology rooms**

In addition to production testing, the quality control department also periodically checks the finished products stored in the warehouse by means of a certified laboratory testing bench.

The boilers are currently shipped to the customer in standard packaging with an average recycled cardboard content of 60%.

In 2020, Fondital was among the **winners of the 7th CONAI call for proposals for the eco-design of packaging** in the circular economy

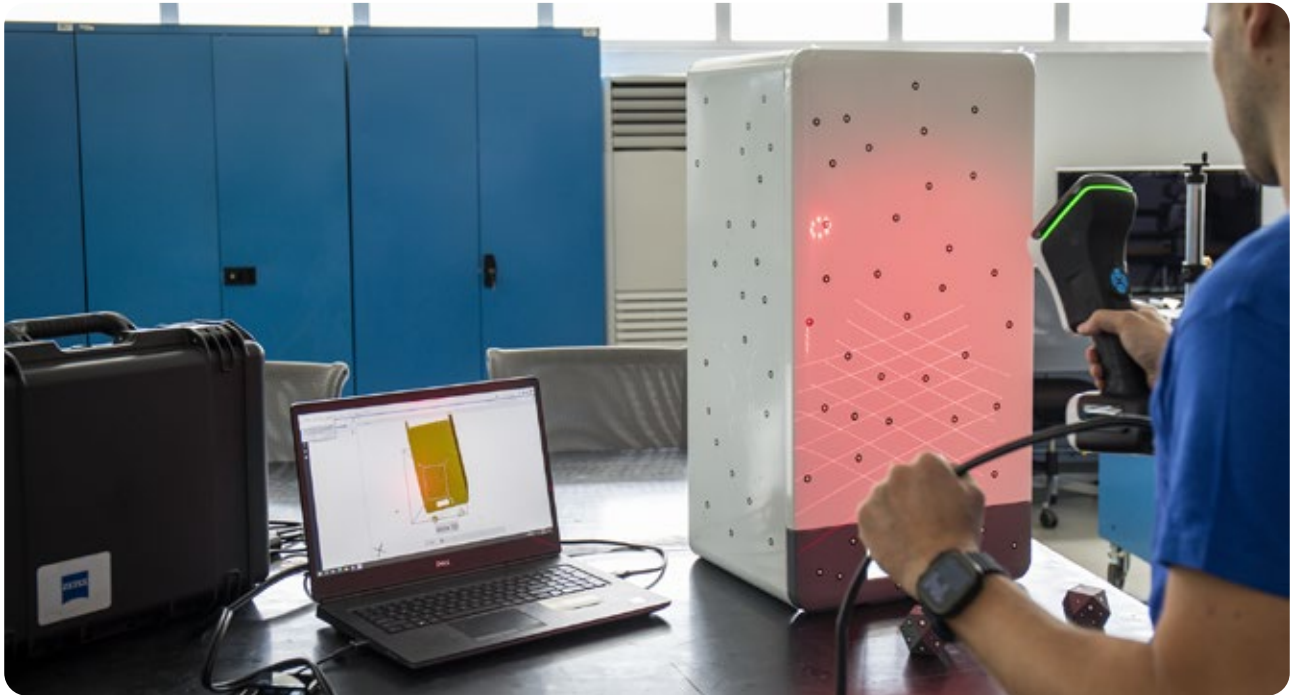
The prize was awarded to the Minorca Wall-hung Boiler. Following the life cycle assessment (simplified LCA) conducted on the packaging, the results showed a significant reduction in the environmental impact of the product according to 3 indicators: CO₂ emissions, energy consumption, and Secondary Raw Material (SRM) generated.



Wall-hung boiler packaging

In order to allow the remote system control, Fondital has introduced the Spot smart chronothermostat. Operable via smartphone or web, it's compatible with existing systems and with Fondital boilers equipped with a communication bus, with the exception of the high-power modules.

The Spot unit allows the boiler's and the heating system's operation to be adjusted and monitored remotely via a Wi-Fi connection, and provides access to cloud-based technical support services.



Quality control via 3D scanning with the Zeiss t-scan hawk device

In order to meet the market demand, Fondital has expanded its portfolio of solutions by investing in new energy vectors.

The draft versions of the new Ecodesign regulation have focused upon the boiler product's renovation in terms of sustainability and efficiency.

Pending the official determination of its contents, the market has embraced these renovation proposals, and has thus increased the demand for partially hydrogen-powered boilers.

New certified **H₂ Ready boiler range compatible** with variable hydrogen content of **up to 20%** currently under development

The first release from the range is scheduled for 2024. In-depth studies are now underway for the H₂ Ready certification of the entire boiler range.



FUTURE GOALS

- Enhancement of the H₂ Ready boiler range.
- Pursuit of sustainable components.

3.3 HEAT PUMPS AND HYBRID SYSTEMS

In keeping with the company’s strategy of product innovation and efficiency, Fondital has been investing in the effort to render its heat pump product increasingly sustainable for over ten years.

The heat pump plays a strategic role in the **energy transition**

According to the European Commission, heat pumps play a central role in enabling the transition to a climate-neutral society, and are also seen as a crucial tool for achieving independence from foreign oil and gas sources.

In fact, the heat pump requires much less energy than other alternatives, and, thanks to its unique flexibility, can help reduce peak loads on the grid.

DEVELOPMENT OVER THE YEARS



Fondital has been marketing a range of heat pumps since 2012. Over the past 10 years, it has reduced its environmental impact on global warming by introducing products that use a refrigerant gas with a decreasing Global Warming Potential (GWP) index.

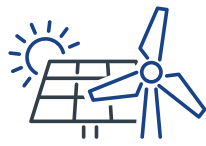
Heat pump with **R290 refrigerant gas** (GWP 3) currently under development

The new heat pump currently being developed will provide 4 advantages in terms of sustainability:



**NATURAL
REFRIGERANT GAS**

Used inside the heat pump



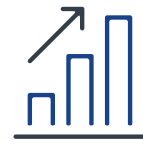
**RENEWABLE
THERMAL ENERGY**

Amount generated,
equal to +70%*



**DUAL
FUNCTION**

Heating and
cooling



**+25%
EFFICIENCY**

Compared to a fossil fuel
generator

*for a COP (coefficient of performance) of approximately 4

Hybrid systems consisting of a heat pump and a condensing boiler working in combination for the heating function have been present in the range since 2021.

These systems are valid solutions for installation in buildings undergoing renovation, as they help to improve their energy class.

Fondital is currently monitoring the developments in the European regulations to expand the range of its hybrid systems, which will be integrated with H₂ Ready certified condensing boilers.



Hybrid system



FUTURE GOALS

- Development of a range of in-house heat pumps with R290 gas.
- Introduction of a new wall-hung fancoil range.

3.4 AUTOMOTIVE

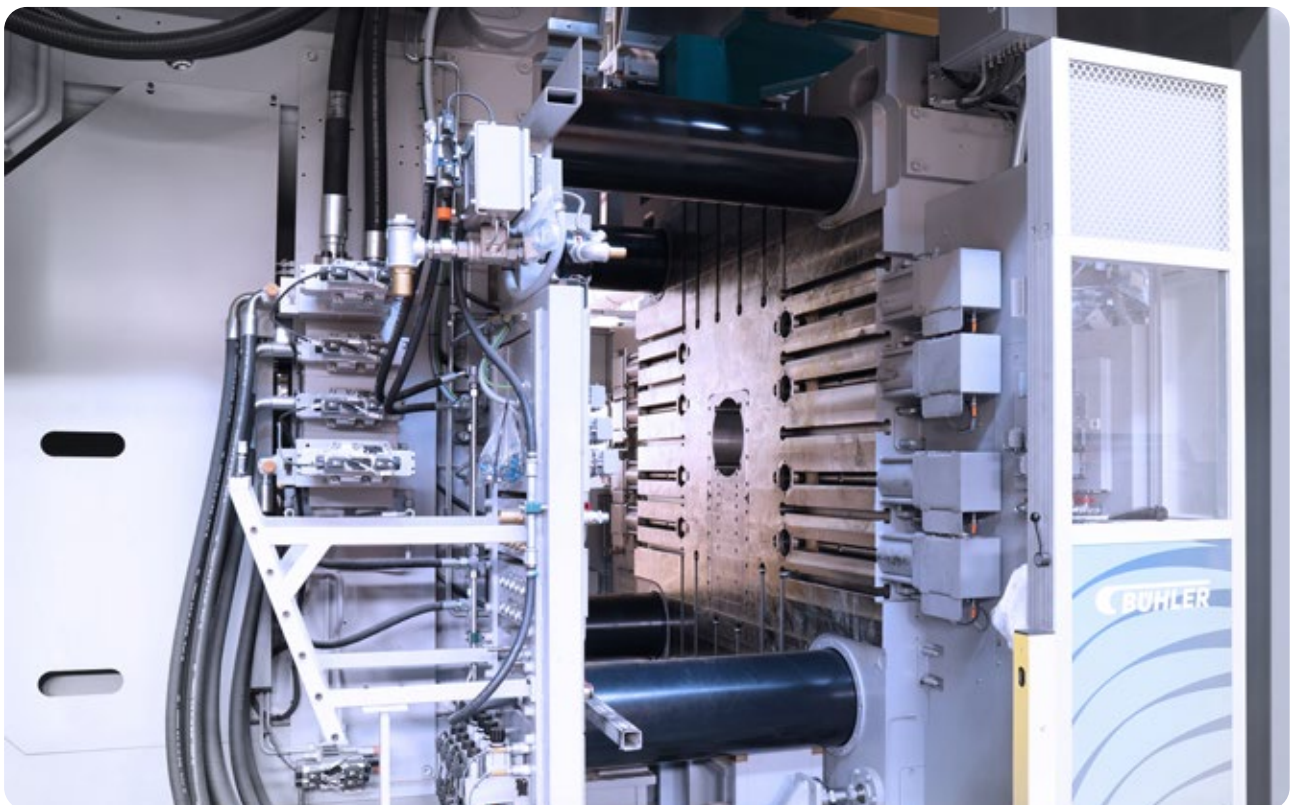
In 2015, Fondital adopted a new strategy to ensure employment continuity, and to saturate its production processes within Italy. Thanks to the experience and know-how gained in over fifty years in the die-casting industry for the production of radiators, the company has entered a new sector.

Production and machining of structural castings for the automotive sector since 2015: chassis and battery casing components

In the automotive sector, the process to reach serial production takes time and close cooperation with the customer. **Equipped with state-of-the-art instrumentation, our in-house laboratories allow us to work proactively with the customer, proposing solutions to optimise the quality and efficiency of the products and processes.** Further improvements based on metallographic and micrographic analyses can also be suggested thanks to in-house knowledge and production of the raw material.

Prior to production, several samples are taken to optimise the product and the production process, from metallurgical analysis to the finished product.

The quality laboratories' instruments allow the parts' dimensional analysis, with the detection of any product deformations during the production process via the complete 3D scanning of the parts, and the analysis and validation of the technical cleaning requirements.



Bühler Carat 4400 tonne press

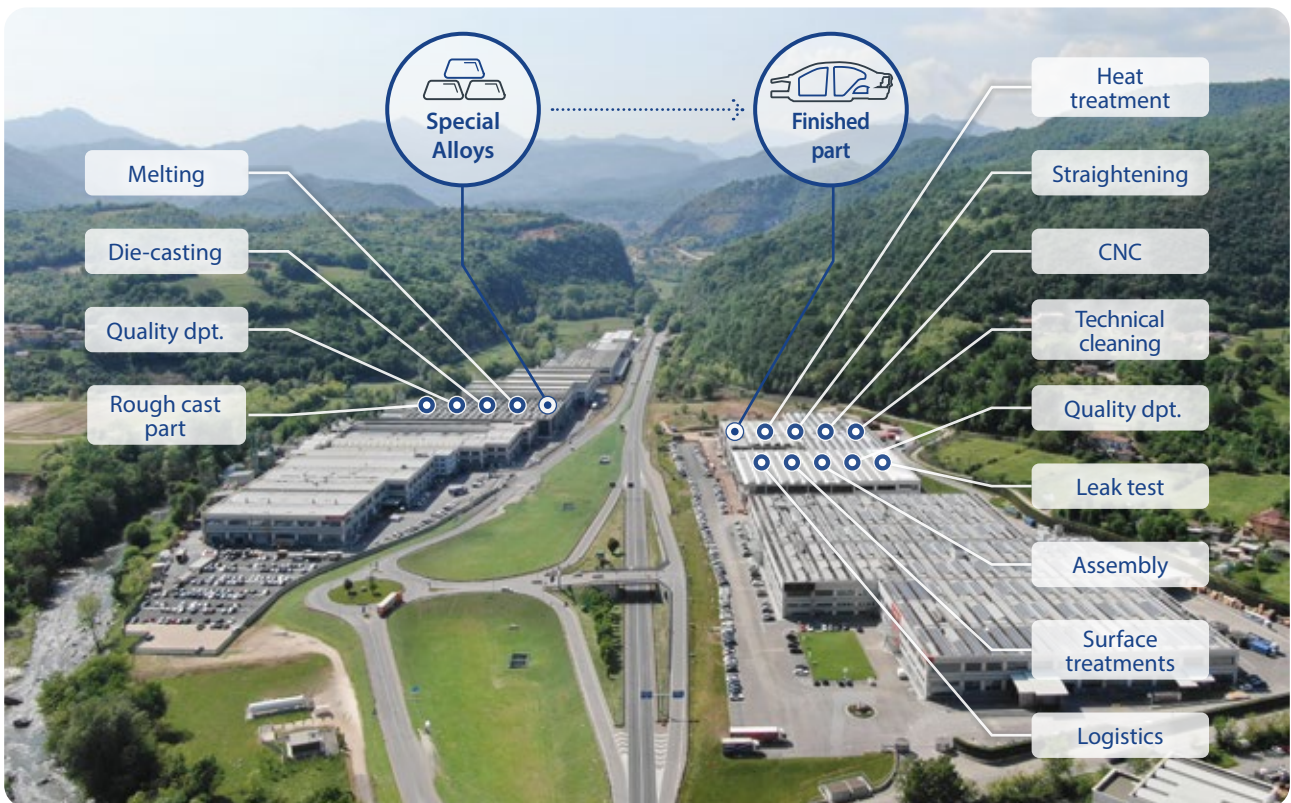
Fondital offers its customers structural castings and battery casings made from recycled primary aluminium alloys from the SILVAL range, with performance comparable to primary aluminium alloys produced from bauxite, and a EPD (Environmental Product Declaration) certified low carbon footprint. The use of recycled aluminium also allows for a 95% reduction in energy consumption with respect to production from bauxite (source: European Aluminium).

CARBON FOOTPRINT OF PRIMARY ALLOY FROM RECYCLING



The investments made for the development of the Automotive division have made **Fondital a unique worldwide supplier**, offering an entire production chain consisting of more than 10 production processes to automakers who would normally rely on 3 or more suppliers to produce a single part.

Integration and industrial symbiosis strategy



Automotive processing



FUTURE GOALS

- Attainment of ASI and TISAX certification.
- Completion of the in-house supply chain.
- Increased specialised personnel.



From the point of view of sustainable growth, respectful of the place in which we operate and of the laws, **the safeguard of the environment is essential for Fondital.**

That is why we are committed to spreading the culture of recovery and recycling among our employees.

We also want to help reduce atmospheric and water pollution, not only through advanced procedures, management systems, and purification and abatement plants, but also by intervening through the innovation of production processes to reduce air and water emissions upstream.

We strive for maximum energy efficiency by minimising waste and implementing new technologies and plant modifications in order to encourage the increased use of power from renewable sources.

4.1 MANAGEMENT OF ATMOSPHERIC EMISSIONS

Reducing emissions is important for the company, the community, and the ecosystem in which we are rooted. The objective is pursued via internal management policies, which have included the adoption of procedures, management systems, advanced purification and abatement plants, and production process innovations aimed at reducing emissions at the source.

Atmospheric emissions are subject to authorisation, and periodic checks are carried out to ensure compliance with the established limits. All plants comply with the sector's Best Available Techniques (BAT) in terms of management of atmospheric emissions.

The extraction and treatment of the emissions generated by the production plants are not only mandatory from a regulatory standpoint, but are also fundamental for maintaining a healthy working environment.

4.2 PROTECTION AND MANAGEMENT OF WATER RESOURCES

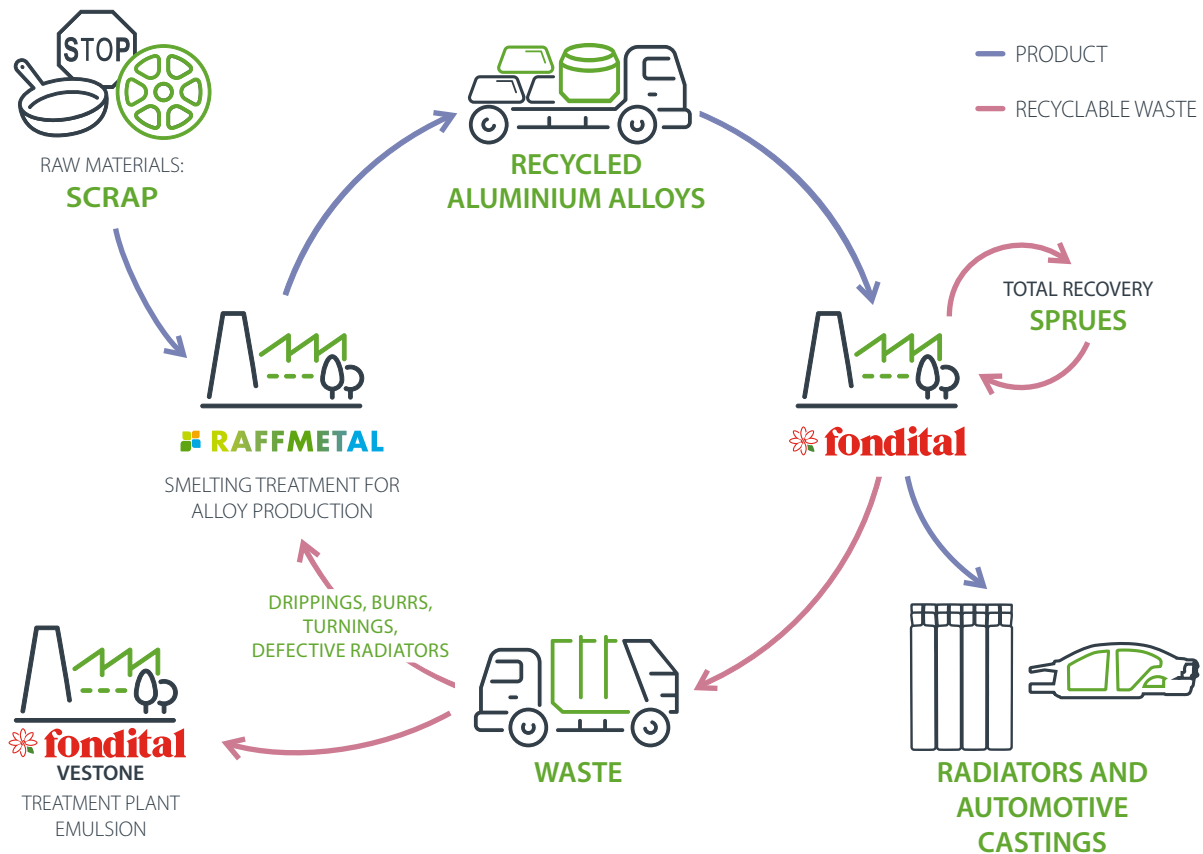
We are aware that water is a precious resource, and it is crucial for us to constantly improve our systems in order to reduce its consumption. One example of this is the expansion of the blowing system to cover the entire radiator processing and testing line, thanks to which it was possible to reduce the machining department's water consumption by 75%.

The highest water consumption in the company is recorded in the cooling phases of the production lines. In order to streamline the amounts utilised, the systems that require water are connected to cooling towers with recirculation circuits.

The water used for the production processes is taken from wells at the various sites. The Vestone plant has a purification plant, managed entirely by Fondital, which discharges into surface water bodies, and has significantly mitigated the company's environmental impacts in recent years.

4.3 WASTE RECOVERY AND TREATMENT

Fondital aims at treating and recovering as much waste as possible within its production cycle. When in-house management by Fondital is no longer possible, the company relies on Silmar Group's in-house recovery centres: everything that is aluminium and cannot be recovered by Fondital is delivered to Raffmetal in order to regenerate raw material that can be reintroduced into the production cycle; electrical cables (consisting of copper and plastic), on the other hand, are delivered to the Valsir plants.



70% of waste **managed and recycled internally** through Silmar Group

In 2022, Fondital recorded a 4% increase in internally managed waste with respect to 2021.

There are numerous benefits in terms of **reduced operating costs**, logistics, and related emissions, which are even greater due to the presence of pressing systems, which **optimise** and reduce the number of loads of material to be sent for recovery.

4.4 ENERGY AND EFFICIENCY

Energy efficiency and the reduction of CO₂ emissions are two fundamental pillars of our thinking, with the aim of ensuring the circularity and optimisation of our production processes, in order to offer high quality products that will contribute to the goal of **decarbonisation**.

The investments made over the past three years to **streamline** and **renew** its plants have led the company to significantly reduce its CO₂ emissions.



Direct "on site" emissions:
natural gas + diesel + LPG



Indirect emissions:
electricity consumption

-51% scope 1 and 2 emissions

per unit of product in 2022 with respect to 2019



RADIATORS

-24%

Reduction in consumption per unit of product.



BOILERS

-36%

Reduction in consumption per unit of product.



AUTOMOTIVE

-86%

Reduction due to the commissioning of the plants, which have now reached high levels of efficiency.

Given the acute instability of the energy markets in recent years and the associated risks, even as a response to trade partners for the achievement of climate neutrality by 2050, the Executive Management has identified energy sustainability as a strategic factor for the continuation of the company's production activities.

BUSINESS PLAN ACTIONS

**SOLAR
PANELS**

COVERAGE OF THE ELECTRICITY
REQUIREMENTS

**HEAT
RECOVERY**

IMPROVEMENT AND REDUCTION
OF ENERGY CONSUMPTION

**ENERGY
VECTORS**

ANALYSIS OF NEW ENERGY
SOURCES FOR DECARBONISATION

5 SOCIAL



The **well-being** of the employees and the communities in which the companies are located is of utmost importance to Fondital.

The company carries out programmes to ensure the health and safety of its employees, as well as to enhance their personal and professional skills. This consideration is also extended to the local communities, through philanthropic initiatives.

5.1 THE EMPLOYEES

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



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



5.2 SAFETY

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

Application of a scientific system based on behavioural safety since 2018

This system identifies Behaviour Analysis as its scientific reference, thus creating an ability to act directly at the root of the causes of accidents that occur in the company.

The basis for continued action in this direction lies in the fact that more than **80% of accidents are not due to poor structural conditions or inadequate technical instrumentation and equipment, but rather to underlying causes, which include the operators' failure to adopt safe and conscientious behaviour.**

BUILDING A SHARED CULTURE OF SAFETY

PROMOTE

INVOLVEMENT AND COLLABORATION

CREATE

POSITIVE WORKING ENVIRONMENTS

ADOPT

PROPER SAFETY BEHAVIOUR



An operator filling out a check-list

The employees are directly involved, and promote everything related to health and safety at the workplace. Their contribution in reporting potential hazards or near misses is an indicator of increased awareness and empowerment, which is crucial to the achievement of the goal of zero accidents.

Reporting potentially risky events triggers action to **improve and reduce hazards**

Awareness-raising is constantly accompanied by **specific training courses**. These courses arise from needs identified as a result of the **continuous analysis** of accident and near-miss events, from the collection of particularly sensitive issues for employees, and from the company's objectives of improving the awareness and culture of safety.

SAFETY TRAINING  **h 7,767**

Fondital has been part of the WHP (Workplace Health Promotion) project since 2017, a movement that aims to bring health and well-being into the workplace by touching on various topics and building projects around them.



5.3 PERSONAL AND PROFESSIONAL DEVELOPMENT

Fondital pays special attention to the **enhancement**, protection and **development of the skills** as well as competencies of all its employees and collaborators. In fact, this allows them to **express** their potential and professionalism at the highest level and, as a result, contribute to the **achievement of the company's objectives** in accordance with its commitments to social responsibility and environmental responsibility established by the Management.

TRAINING  **h20** per person
Year 2022

One of the most ambitious goals set in terms of company training was the structuring of an academy through which the employees would not only undergo training programmes, but would also actively participate in the development and sharing of skills and abilities, the dissemination of the corporate culture, and continuous process innovation.

The academy is now active
and is undergoing **rapid development**

Two training models are followed:

- **TECHNICAL COURSES:** department-specific. The work that is being carried out from this standpoint is also one of systematic integration: for several departments, one day a week has already been set aside for technical updating;
- **TRAINING PACKAGE:** consisting of about 8 relevant, cross-departmental, and cross-office topics, which change from year to year based on the identified needs. Approximately 20 sessions are replicated for each course in order to ensure that all the employees attend, with the aim of improving their professional skills.

 **64%**
Company population

TRAINING PACKAGE FREQUENCY

COURSES: Code of ethics and corporate policy, 231 Organisational Model, corporate welfare, environmental management system, conscientious use of energy, quality and products, viability, certifications, corporate strategy and developments.

A software application has been introduced that allows each employee to manage their own training activities, including booking, testing, and consultation of training material. Its use facilitates monitoring, information sharing, and data analysis.

5.4 SUPPORT FOR THE COMMUNITY

Fondital actively promotes the quality of life and the socio-economic development of the communities in which it operates, as well as the training of new talent.

In order to build and maintain a dynamic working environment, the company invests in **young talents**, creating ideal conditions for their personal and professional **growth**. **Territoriality** is also a fundamental value for Fondital, which wants to serve as a centre of expertise for local youth, thereby helping to **maintain the vibrancy** of the Vallesabbia area, where Silmar Group conducts its main business activities.

we ❤️ schools

The “We love schools” project includes a social responsibility programme that aims at offering quality education to local young people. For this reason, considerable resources are being invested in the Pathways for Soft Skills and Professional Orientation (**PCTO**) project.

PCTO and INTERNSHIPS  **38** total
Year 2022

we ❤️ sport

The “We Love Sports” project was created to give children, adolescents, and young people the opportunity play the sports they love most, at suitable facilities close to their homes, with the support of volunteer groups, who dedicate their time to ensuring that the younger generations can engage in healthy sports activities.



The field at Sabbio Chiese

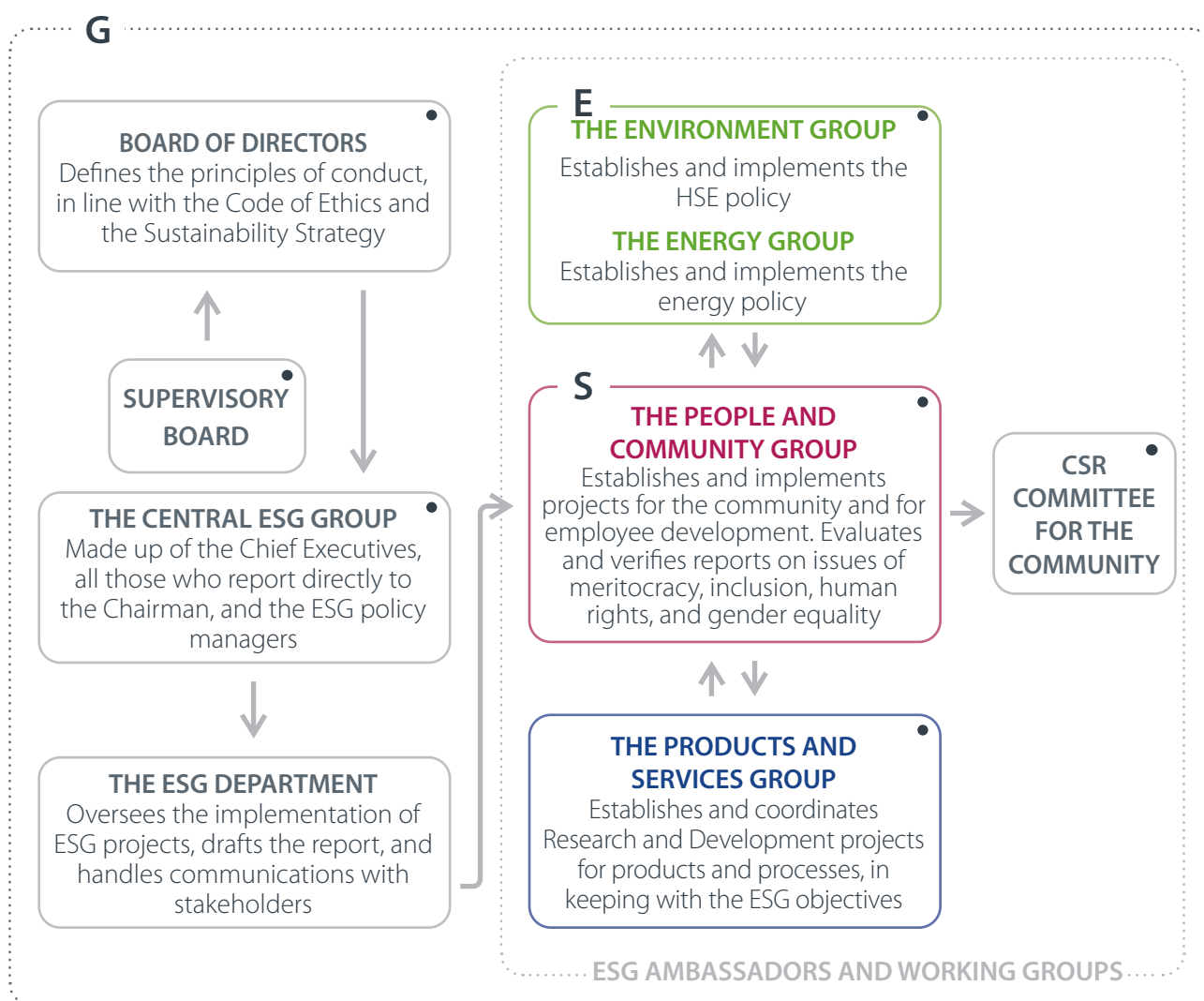


Based on upholding and communicating the **principles of transparency, ethics, legality and human rights to its stakeholders, social responsibility** lies at the heart of Fondital's organisational strategy, is reflected in its decision-making processes, and is taken into account when implementing all the company's activities.

6.1 SUSTAINABILITY MANAGEMENT

Coordinated directly by the Executive Board's top management figures, the sustainability corporate governance structure is referred to as the Core Group.

This central group determines the strategy, investments, and project policies, and shares them with the operational teams, which are divided into 3 strategic areas. The latter is flanked by an external committee dedicated to community works and activities.



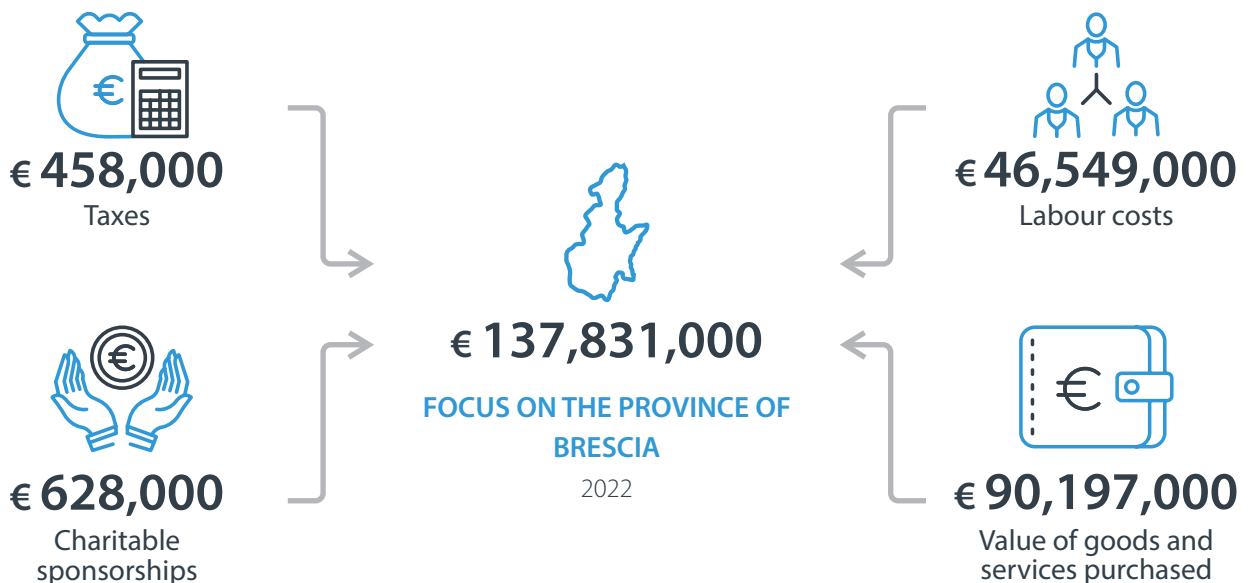
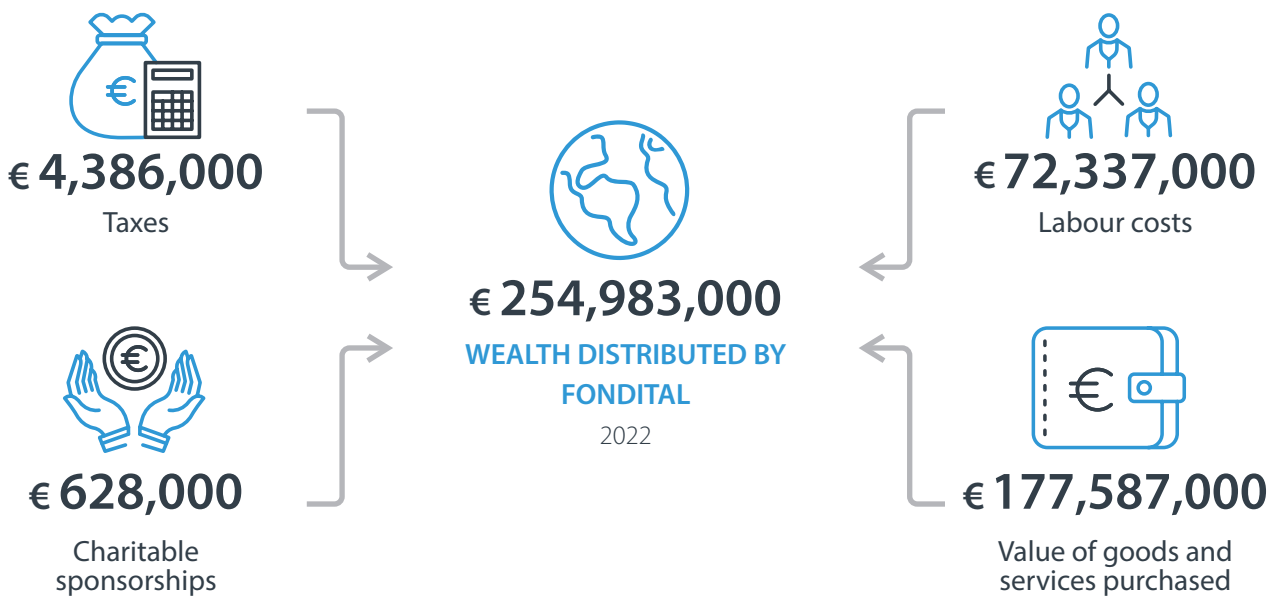
• Teams overseen by at least one management figure

6.2 DISTRIBUTED WEALTH

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

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

Over the three-year period of 2020, 2021, and 2022, Fondital’s business activities generated and distributed wealth to key stakeholders amounting to € 616,283,000.



6.3 SUPPLY CHAIN

Sustainable supply chain management means taking environmental, social/ethical and economic/financial impacts into account, and encouraging **virtuous practices** throughout the entire life cycle of the goods and services in order to increase their long-term social, environmental, and economic value on the market for all the stakeholders involved.

In 2022, Fondital increased the wealth generated by its activities along the supply chain by 49% with respect to 2021, promoting a short supply chain that's bolstered by increased resilience and production sustainability.



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



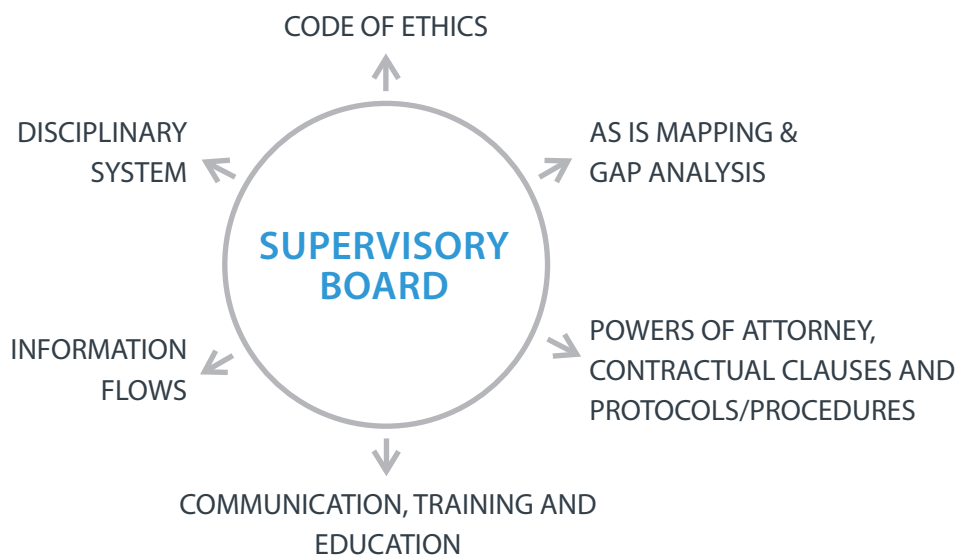
6.4 BUSINESS RESPONSIBILITY

Fondital has adopted its own **Organisation, Management and Control Model** drawn up pursuant to **Legislative Decree 231/2001**.

The purpose of this model is to prevent unlawful conduct or offences, including those relating to the Environment and Workplace Safety, from being committed in the interest or to the advantage of the company by its employees or top management figures.

In addition to mapping the areas at risk, the 231 model also effectively determines the periodic verification procedures, establishes an appropriate internal disciplinary system, and provides for the appointment of a supervisory board.

The company has included dedicated courses involving all employees within the training package.



As an essential basis for all of its business activities, Fondital has adopted a **Code of Ethics** (available on its website), which fully embodies its guiding corporate values and principles, and contains all the ethical and behavioural rules adopted by the company, which must be upheld by all those with whom the company works.

In keeping with the 231 Model, Fondital has adopted a reporting system, which not only helps identify and counteract any possible wrongdoing and disseminate a culture of ethics and legality throughout the company, but also helps create a climate of transparency, as well as a sense of participation and belonging.

Supervisory Board: all the stakeholders are required to promptly report any deviations, violations, or suspected violations of the Code of Ethics of which they may come to have knowledge to the Supervisory Board. The Supervisory Board shall report any violation of the Code to the Board of Directors.

Public reporting on the company website: complaints and offences, even regarding ESG matters, can be reported to the supervisory board via the “231 Model” section of Fondital’s official website.

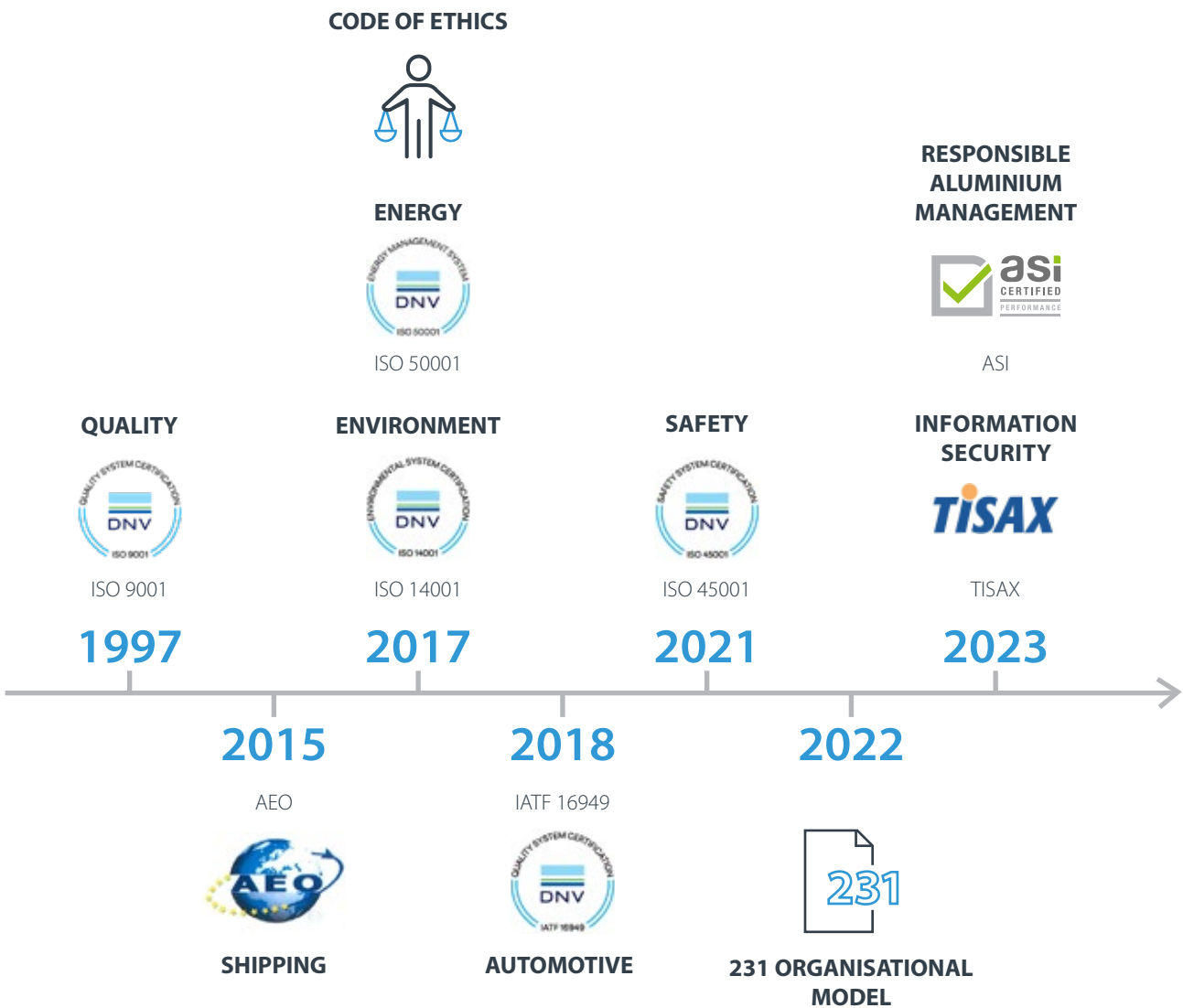
During the reporting period, there were no confirmed cases of corruption, nor were there any legal cases brought against the company and/or employees, penalties imposed, or instances of relations with suppliers being cancelled due to incidents of corruption. No fines or penalties were imposed for non-compliance with the environmental protection regulations.

6.5 CERTIFICATIONS

Fondital has committed and invested considerable resources to obtain and maintain its internationally recognised certifications. For our stakeholders, these are synonymous with quality, awareness, safety, prevention and responsibility.

They are also a tool that customers and suppliers rely on for **selection** and **preference** purposes, as they demonstrate the company's commitment.

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



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