



SUSTAINABILITY REPORT  
**2023**

CALEFFI GROUP

# CONTENTS

<b>IN SHORT</b>	<b>4</b>
<b>LETTER FROM THE CHAIRMAN OF THE BOARD</b>	<b>6</b>
<b>REPORTING PRINCIPLES</b>	<b>8</b>
1. Accuracy	8
2. Balance	8
3. Clarity	9
4. Comparability	9
5. Completeness	10
6. Sustainability context	10
7. Timeliness	11
8. Verifiability	11
<b>THE YEAR 2023</b>	<b>12</b>
1. Turnover	12
2. Investments	13
3. Projects	14
<b>GENERAL DISCLOSURE</b>	<b>15</b>
1. Details of the <i>organisation</i>	15
2. Entities included	17
3. Reporting period and frequency	18
4. <i>Restatements</i> of information	18
5. External assurance	18
<b>PROFILE AND CONTEXT</b>	<b>19</b>
1. History	19
2. Identity	21
3. Vision	21
4. Mission	21
5. Values	22
6. Strategy, policies and practices	22
<b>THE ORGANISATION</b>	<b>23</b>
1. Governance	23
2. Organisation chart	23
3. <i>Organisational Model</i> and <i>Code of Ethics</i>	25
4. Anti-corruption	25
<b>THE PROCESS AND THE PRODUCT</b>	<b>26</b>
1. Certifications	26
2. <i>Supply chain</i>	27
3. The production process	28
4. The product	29
<b>STAKEHOLDERS AND COMMUNICATION CHANNELS</b>	<b>30</b>
<b>MATERIALITY ANALYSIS</b>	<b>32</b>
1. Procedure to determine material topics	32
2. List of material topics	32
<b>ECONOMIC AREA</b>	<b>38</b>
1. Direct economic value generated, distributed and not distributed	38
2. Taxes	40
3. Financial implications and other risks and opportunities due to climate change	44
4. <i>Defined benefit plans</i> and other pension plans	44
5. Financial assistance received	46
6. <i>European Green Deal - Circular Economy Action Plan</i>	48
7. Supplier management, <i>procurement</i> practices, supplier environmental assessment, supplier social assessment	50
8. Ethics	53
<b>ENVIRONMENTAL AREA</b>	<b>54</b>
1. Raw materials	54
2. Energy	56
3. Water and water discharge	60
4. Emissions	62
5. Waste	64
<b>SOCIAL AREA</b>	<b>68</b>
1. Employment	68
2. Employee well-being	74
3. Occupational health and safety	76
4. <i>Personnel</i> development, training and education	80
5. Protection of diversity and equal opportunities and non-discrimination	83
6. Impacts on the local community	84
7. <i>Customer satisfaction</i>	88
8. Protection of <i>privacy</i>	89
<b>IMPROVEMENT PLAN</b>	<b>90</b>
1. Environmental Area	90
2. Social Area	91
<b>STATEMENT OF USE, GRI CONTENTS INDEX AND NOTIFICATION TO GRI</b>	<b>92</b>
<b>GLOSSARY</b>	<b>116</b>
<b>SYMBOL</b>	<b>110</b>
<b>METHODOLOGICAL NOTE AND CONTACT POINT</b>	<b>111</b>
<b>EXTERNAL ASSURANCE</b>	<b>112</b>

# CALEFFI GROUP

## Sustainability Report

Financial year closed on 31 December 2023



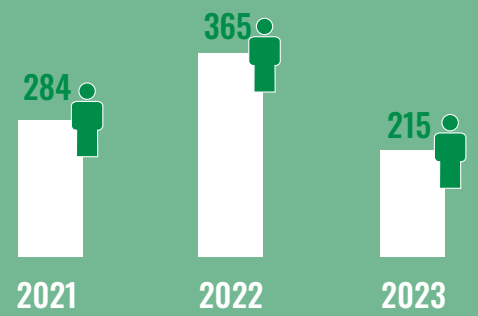
CALEFFI S.P.A.  
SHARE CAPITAL €6,000,000 fully paid up.  
HEADQUARTERS: S.R. 229, N. 25 - 28010 FONTANETO D'AGOGNA (NO) - ITALY  
R.E.A. NOVARA No. 220077  
TAX CODE AND COMPANIES' REGISTER NO. 04104030962  
VAT Reg. No. IT04104030962

# IN SHORT

## Personnel 2023



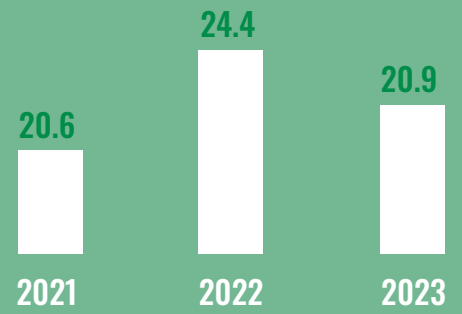
## New hires



## Salary linked to performance 2023



## Average annual hours of training



## Direct economic value 2023

GENERATED

DISTRIBUTED



466,727 kEUR



SUPPLIERS  
55.6 %



PERSONNEL  
21.2 %

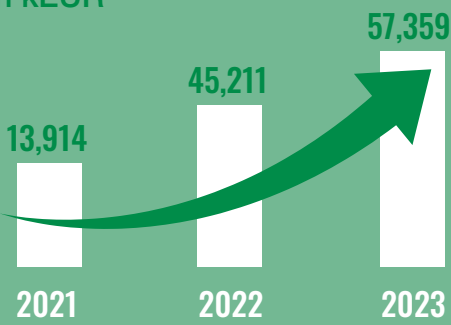


P.A.  
6.5 %

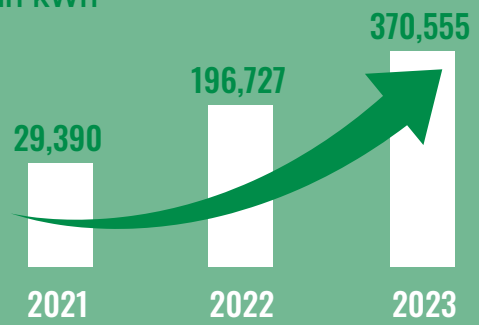




### Investments in kEUR

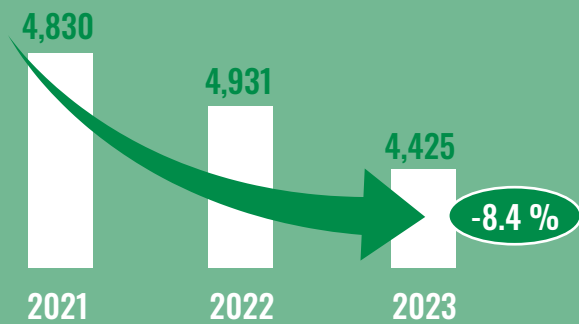


### Self-produced energy in kWh



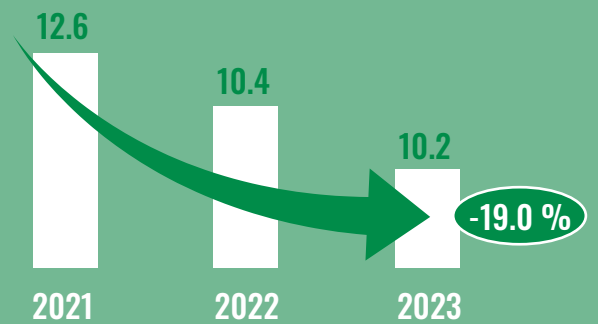
### Scope 1 CO<sub>2</sub> emissions in tonnes

Between 2021 and 2023 we reduced our Scope 1 CO<sub>2</sub> emissions.



### Consumption of electricity in kWh per hours worked

We strive to make energy efficiency a primary objective.



### Packaging renewability 2023

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



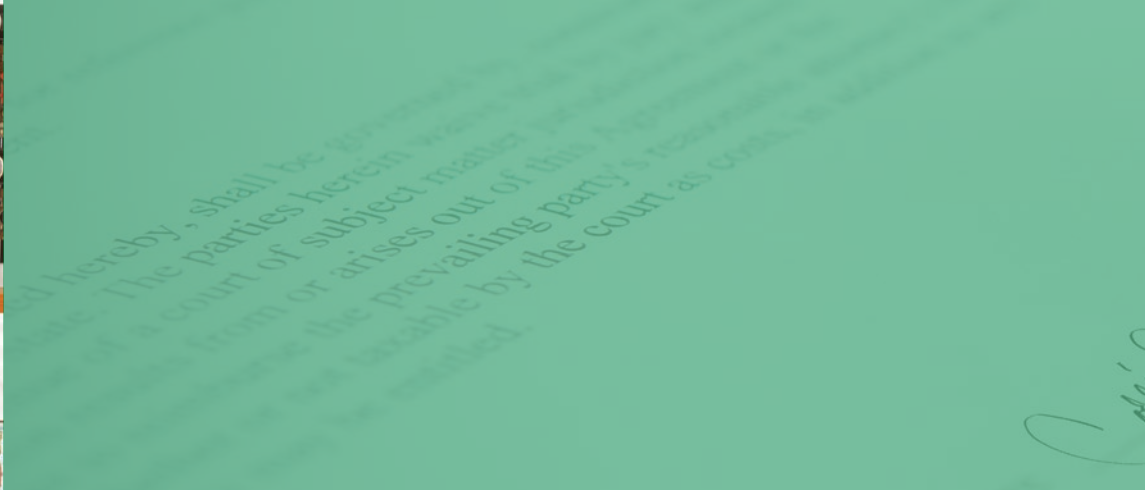
93.1 %

### Local suppliers 2023

We have always privileged the choice of local suppliers.



83.1 %



## LETTER FROM THE CHAIRMAN OF THE BOARD

In early 2023, both the *HVAC & Plumbing* and the *Kitchen & Bath* sectors recorded significant growth in demand on the global markets. However, from April, we noted a slowdown in sales for some product categories, while others maintained satisfactory levels. The reason was clear right from the start: the energy efficiency and restructuring incentives introduced in several western countries were reduced, turning growth drivers into factors marking a downturn in demand. Furthermore, some specific markets were to some extent unpredictable, which complicated the management of production phases for businesses. I refer in particular to the tap and heat pump markets.

This instability had to be managed, but once more it offered us the opportunity to demonstrate the soundness of our business and the commitment of every one of us in guaranteeing positive progress.

Revenues were slightly down on the previous year, but I am proud to say that - conversely - the high profitability bore witness to the *group's* strength.

Having consolidated the results for 2023, I look to the future.

While engineering, production and management are vital for our business, the way in which each action is planned is highly distinctive and characterising for our *group* identity.

We like care and circumspection, attention to detail and defence of real Italian manufacturing quality.

We like to set high targets that can stimulate our growth on all fronts: certainly in terms of production and quality, definitely in the coordination of our human resources and our relations with external *stakeholders*, as well as in research and development.

Innovation means growth of both our products and our business culture. This is the perspective in which it was conceived the Caleffi S.p.A. Research Centre, and hope that this spirit can permeate the other companies in the *group*.

We consider research and development departments to be central to growth.



Leaving aside the greater market opportunities for a moment, just think of the importance of these departments in terms of sustainability.

The development of components for renewable energy systems and energy saving are just some of the reasons for investing in innovation. Our studies are focusing on the development of packaging, process optimisation through the integration of cobots in the production departments that can also improve working conditions, the modernisation of our plants and the achievement of positive impacts that can benefit society and the environment.

Every action is part of a more complex development process. We have called this *The Caleffi Green* at Caleffi S.p.A. and from Yellow to Green in Cristina S.r.l., turning initially circumscribed projects into operational methods. We are what we do, but also how we do it. In this context, corporate behaviour is of vital importance; this is clear to everyone who comes into contact with the *Caleffi group* and is told more in-depth in the following pages.

So please read this first revised Sustainability Report of our *group*, also this year drafted on a voluntary basis, bearing witness to the clear approach and belief that start from me and work downwards through the whole *organisation*, so that everyone is engaged and can bring value.

The Chairman of the board



# REPORTING PRINCIPLES

Sustainability is represented by development 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 see 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 without unreasonable 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), and 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 provide 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 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 2023



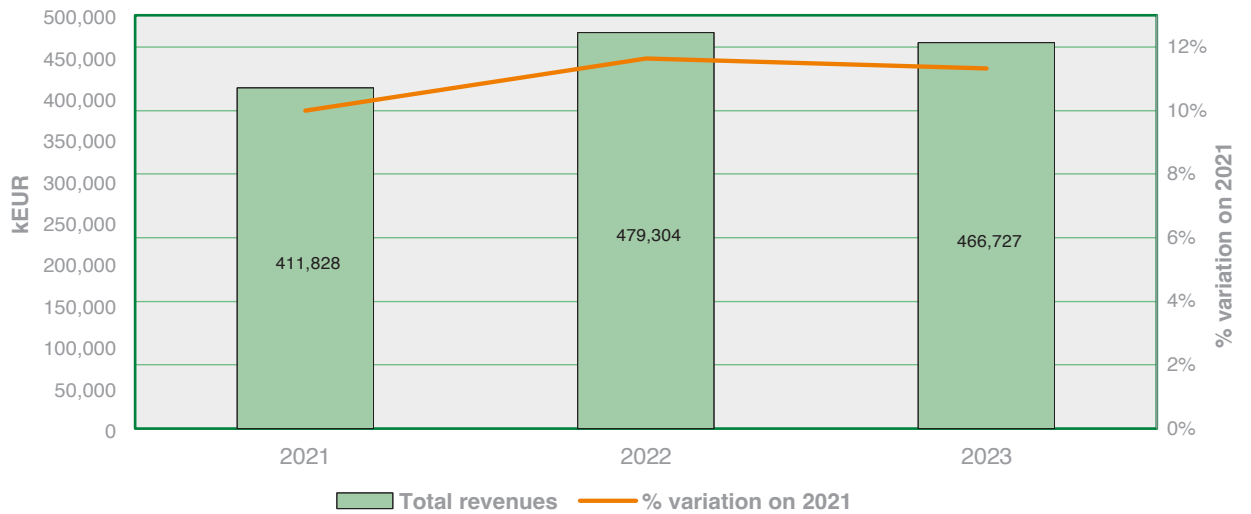
## 1. Turnover

The group works in two business sectors:

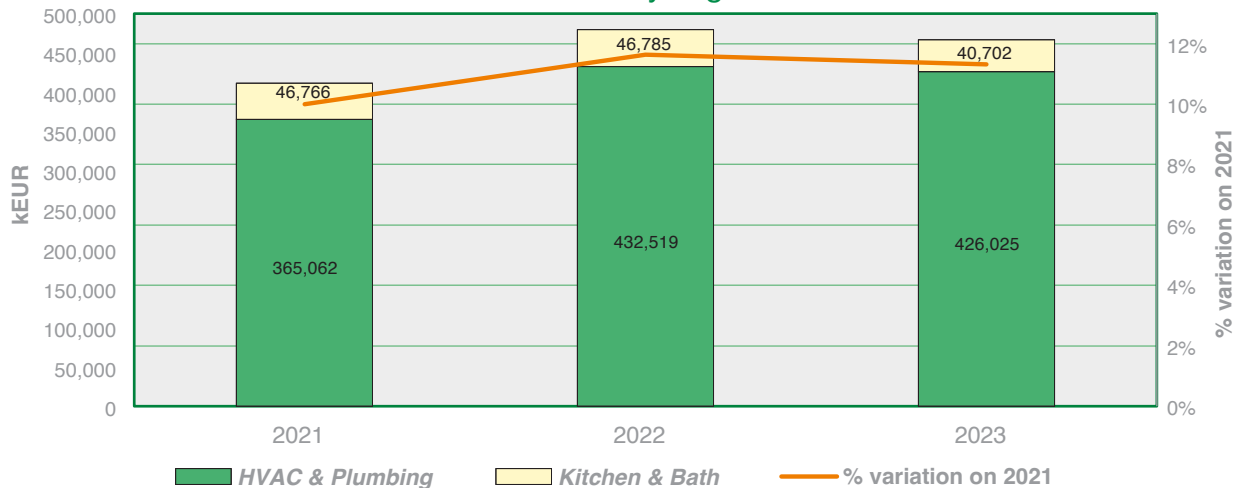
- Heating, Ventilation and Air Conditioning & Plumbing (HVAC & Plumbing);
- Kitchen & Bath.

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



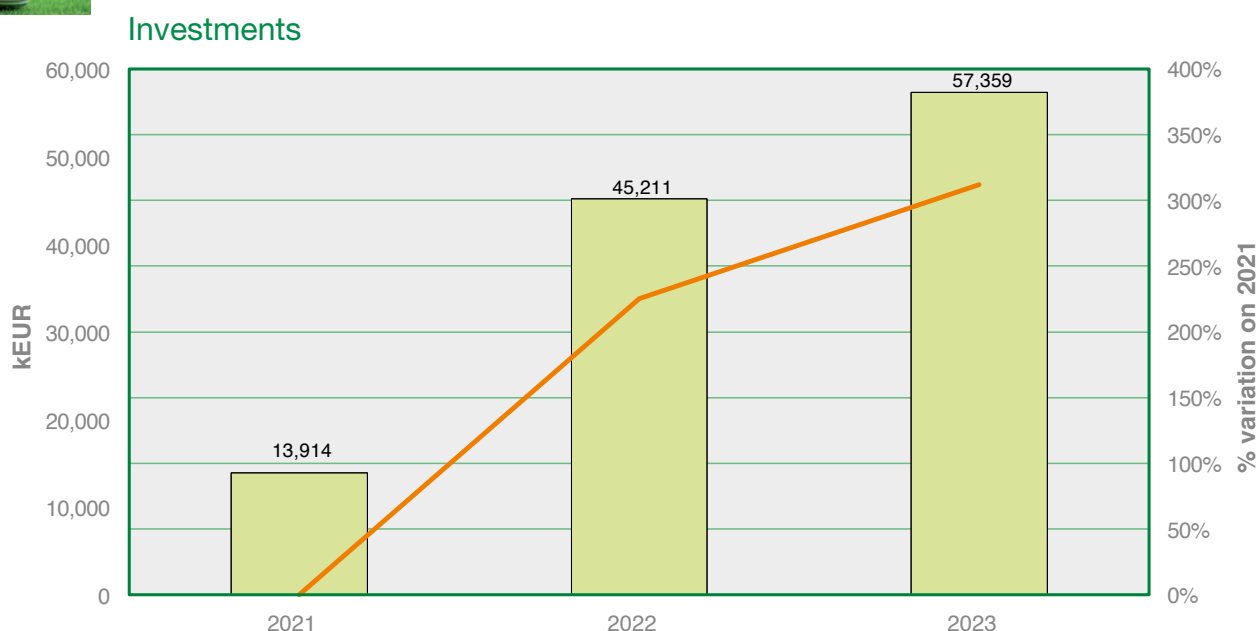


Although slightly down, in the three-year period, the revenue trends continued to benefit from the strong economic progress in the reference sectors. Customers, end users and governments continue to pay close attention to ESG issues, the reduction of energy consumption and the use of alternative methods for domestic heating. Many countries have introduced incentives in the attempt to stimulate their citizens to reduce emissions and improve their environmental impacts. Especially in Italy, these incentives are now being reduced. The system is also having to cope with some macro issues, including the limited capacity of the electricity network to supply the energy required for a massive installation of “green” heating systems.



## 2. Investments

Investments in tangible and intangible fixed assets for the three-year period 2021-2023 are given below.



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 made 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 data is the expression of the *group's* intention to look to the future with a medium-long term view. In 2023, the project to expand the *Caleffi 1* site in Fontaneto d'Agogna by 5,000 sq.m. was approved and the extension of the *Caleffi 3* site in Gattico-Veruno is nearing completion. The expansion of the production sites in Friuli-Venezia-Giulia and Veneto was completed. Finally, new machinery has been purchased and normal, routine investments have been made in new equipment and production moulds. Abroad, the US plant is being doubled in size and new offices are being built in Germany: new proprietary offices are being built in Poland, the site in the United Kingdom is being extended and in Italy, the *Cristina* plants are undergoing reorganisation, which includes the completion of the new galvanic treatment plant, operational from April 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 significant 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 & 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.

2022 also saw the launch of a project promoted strongly by the Chairman of the *group*: *The Caleffi Green*. This aims to raise awareness of the role we all play and the contribution we can give to sustainable development and embraces various aspects of company life, including people, processes, products and the surrounding environment. *The Caleffi Green* is the choice of facing a future capable of sustaining the needs of future generations and doing this through our products in terms of adequate climate, sustainable comfort, energy saving and the protection of water and people's health. Our commitments include a short *supply chain* and applications in the residential sector, concretely aiming to promote the control of resources and the reduction in their consumption. Process modernisation, recycling and reuse of production waste, *procurement* of resources from sustainable sources and from suppliers with an equivalent mindset to that of *Caleffi* are other major choices. Finally, the engagement of people in operational activities that can have a positive impact on the local community, in training the new generations of technicians for our sector, the environment in which our business operates, is a further lever for changing individual approaches.

In 2023, 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.

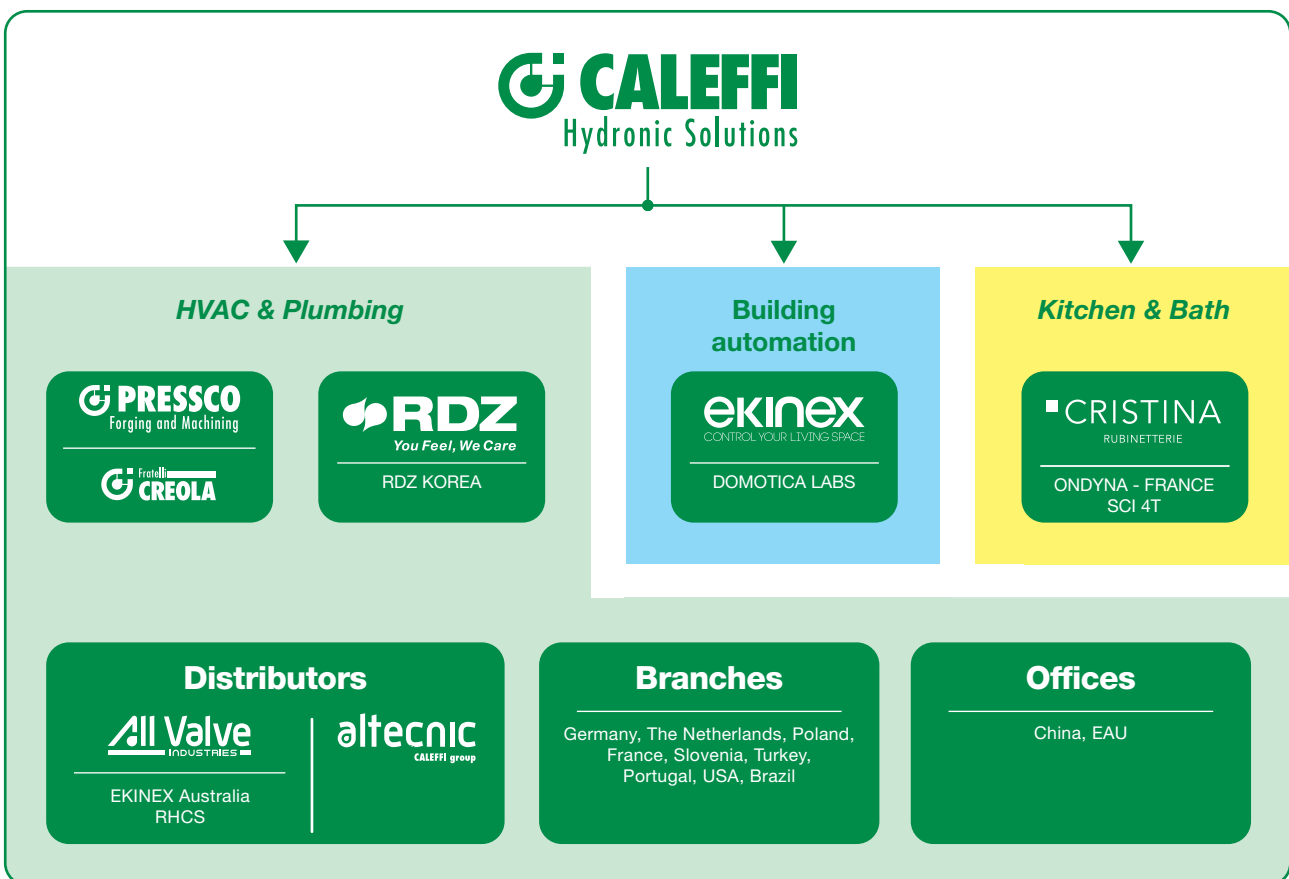


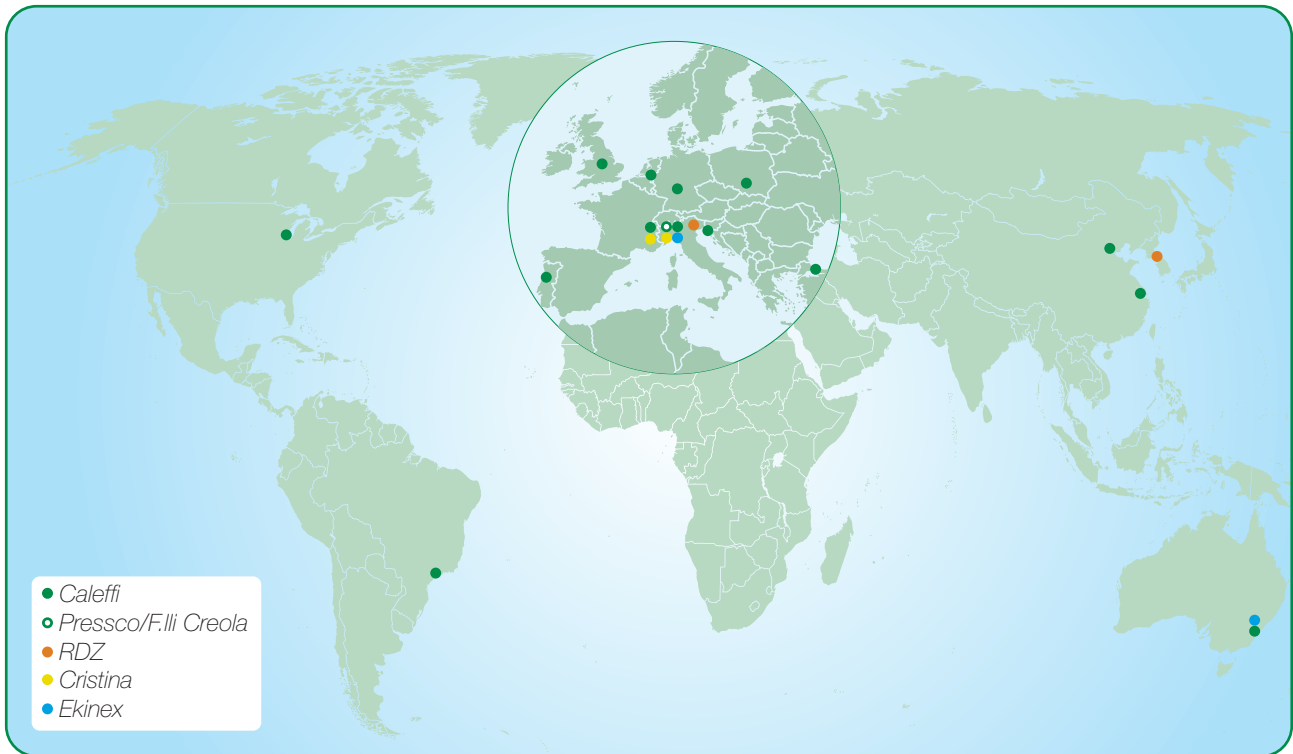
# GENERAL DISCLOSURE



## 1. Details of the organisation

Caleffi is the industrial holding of a multinational group which, as at 31 December 2023, 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) - <i>Caleffi 1</i>
	Caleffi S.p.A.	Fontaneto d'Agogna (NO) - <i>Caleffi 2</i>
	Caleffi S.p.A.	Gattico-Veruno (NO) - <i>Caleffi 3</i>
	Caleffi S.p.A.	Gozzano (NO)
	Pressco S.p.A.	Inverio (NO)
	Fratelli Creola S.r.l.	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)

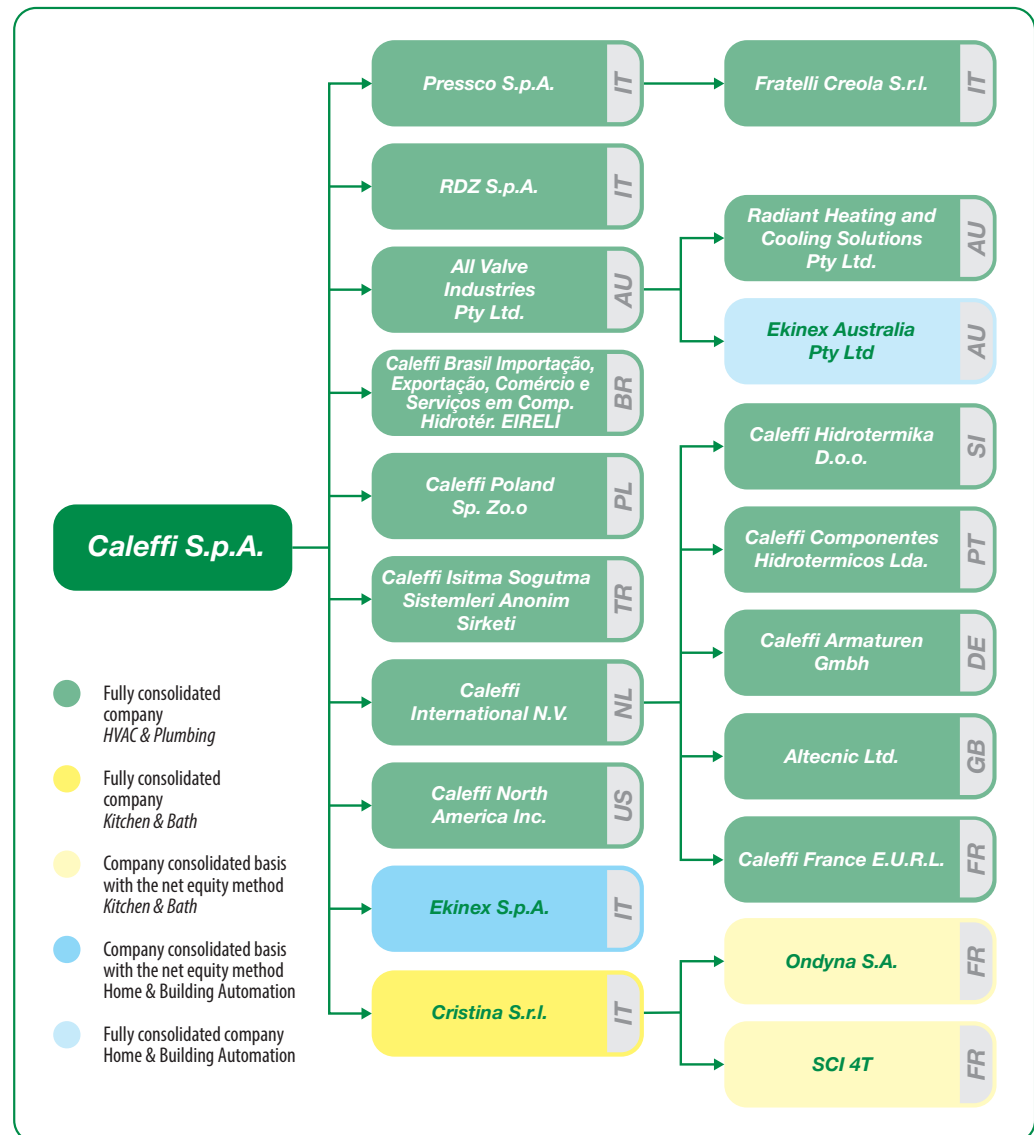
Distribution takes place through commercial branches or direct customers, through the wholesale and *OEM* channels.

*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. The shareholders are 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:



In 2023 the whole share capital of Fratelli Creola S.r.l., which performs chrome plating and nickel plating activities, was bought out. 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 Enerdigim 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. In this respect, the data on *Fratelli Creola* are consolidated from the 2nd half of the financial year 2023.



### 3. Reporting period and frequency

The Sustainability Report for 2023 is the second 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 *permanent employees* and *temporary workers*.

Furthermore, in relation to water consumption, errors in the quantification of consumption data in previous years were corrected.

The *Scope 1 CO<sub>2</sub> emissions* were corrected for the previous years as reference was made to conversion factors provided by *DEFRA* for a more precise quantification.

Data measuring errors relating to *Scope 2 CO<sub>2</sub> emissions* were corrected for the previous years.

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.



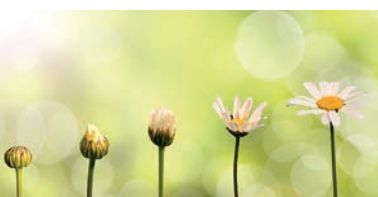
### 5. External assurance

The 2023 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 second year of reporting relating to 2023, it was decided 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



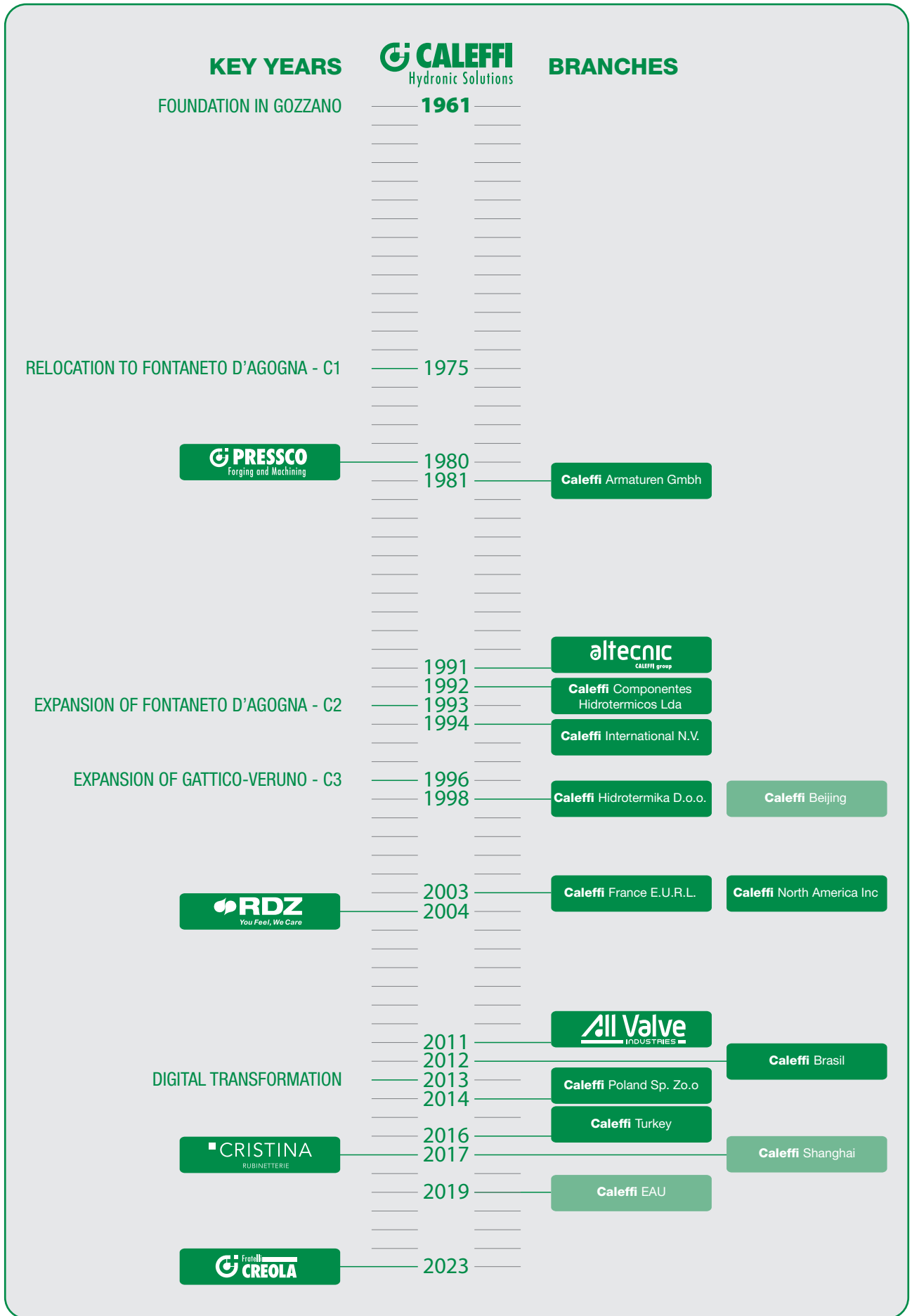
### 1. History

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, opening a new cycle, closely tied to the past yet with a contemporary approach. The managerial structure was revised with a view to the growth of what had become a multinational business. Major investments are still being made in the production site, strategically remaining exclusively in Italy. Further sales offices were opened abroad and complementary companies were purchased also in the 2000s, to consolidate the idea of the *group* it has become today. A *group* whose core business is to provide high-quality solutions for sustainable domestic comfort and for which sustainable commitment is a mindset, a way of being and acting, the concrete contribution to the ecological and social transition.

Today, *Caleffi* has 1,638 employees; it distributes its products in over 90 countries, with a consolidated net turnover for 2023 of kEUR 466,727.

# Time line







## 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 greener day-to-day management, made possible by aware innovation of our products and especially 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 of both products and processes, to be pursued 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 over time, to the production methods we use, to our commitment to 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 loyalty, 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

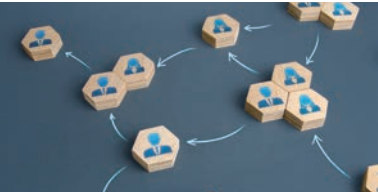
All the companies in the *group* comply with the principles of conduct defined by the *parent company* in the management of relations with all *stakeholders*. The companies under Italian law have appointed the Supervisory Body pursuant to *Italian Legislative Decree no. 231/01*. The *group* is a member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

# THE ORGANISATION



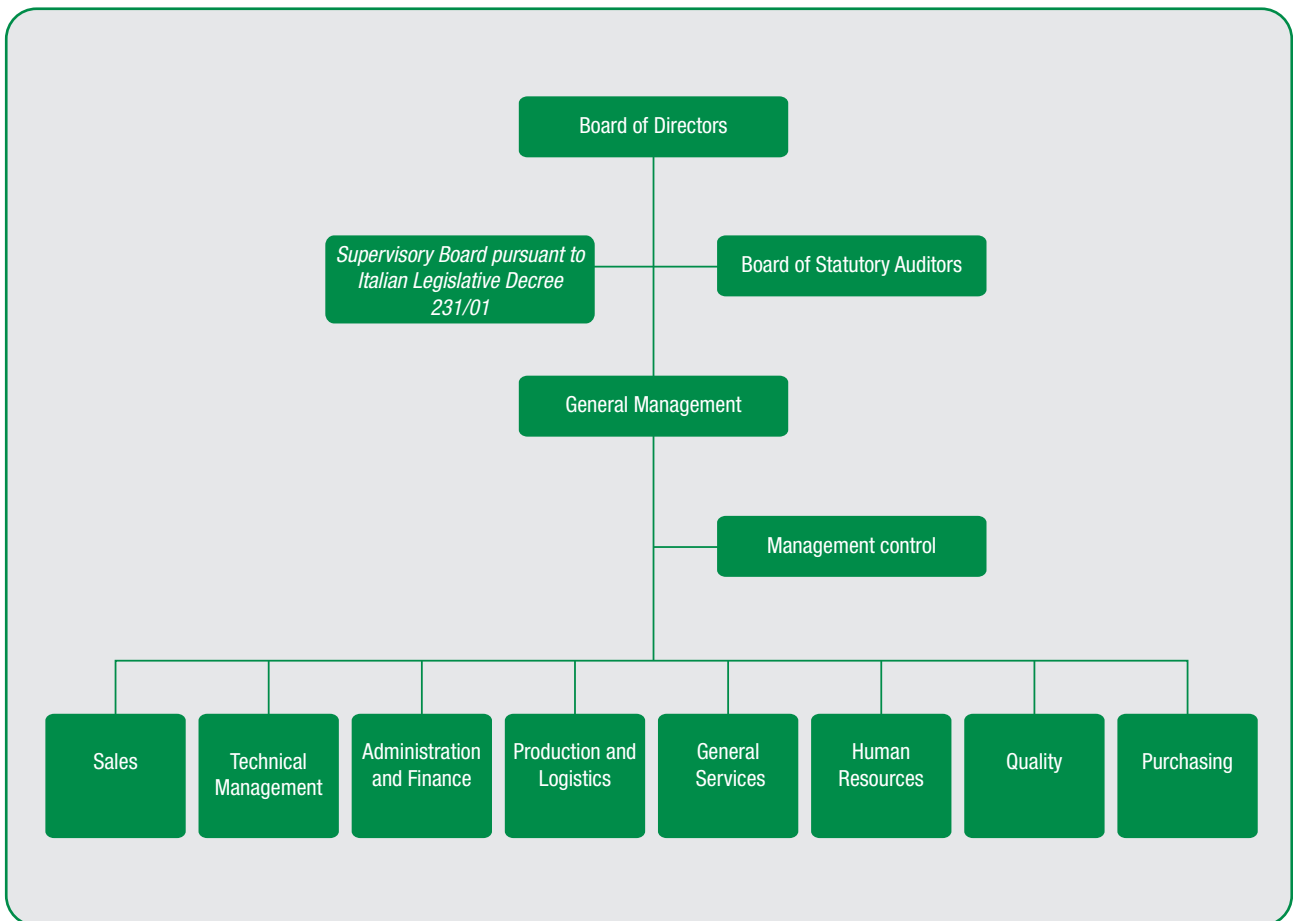
## 1. Governance

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 three members<sup>1</sup>:

- **Marco Caleffi** Chairman of the Board of Directors, legal representative with powers
- **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.

*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*.

<sup>1</sup> *Composition of the Board of Directors at 31 December 2023.*

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	1			3	3
Board of Auditors	5			1	4	5
Supervisory Body	3			1	2	3
Total	10	1	0	2	9	11

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 certain 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 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 other certifications have been added to this, relating to individual products, in addition to the environmental management system and 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.

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:

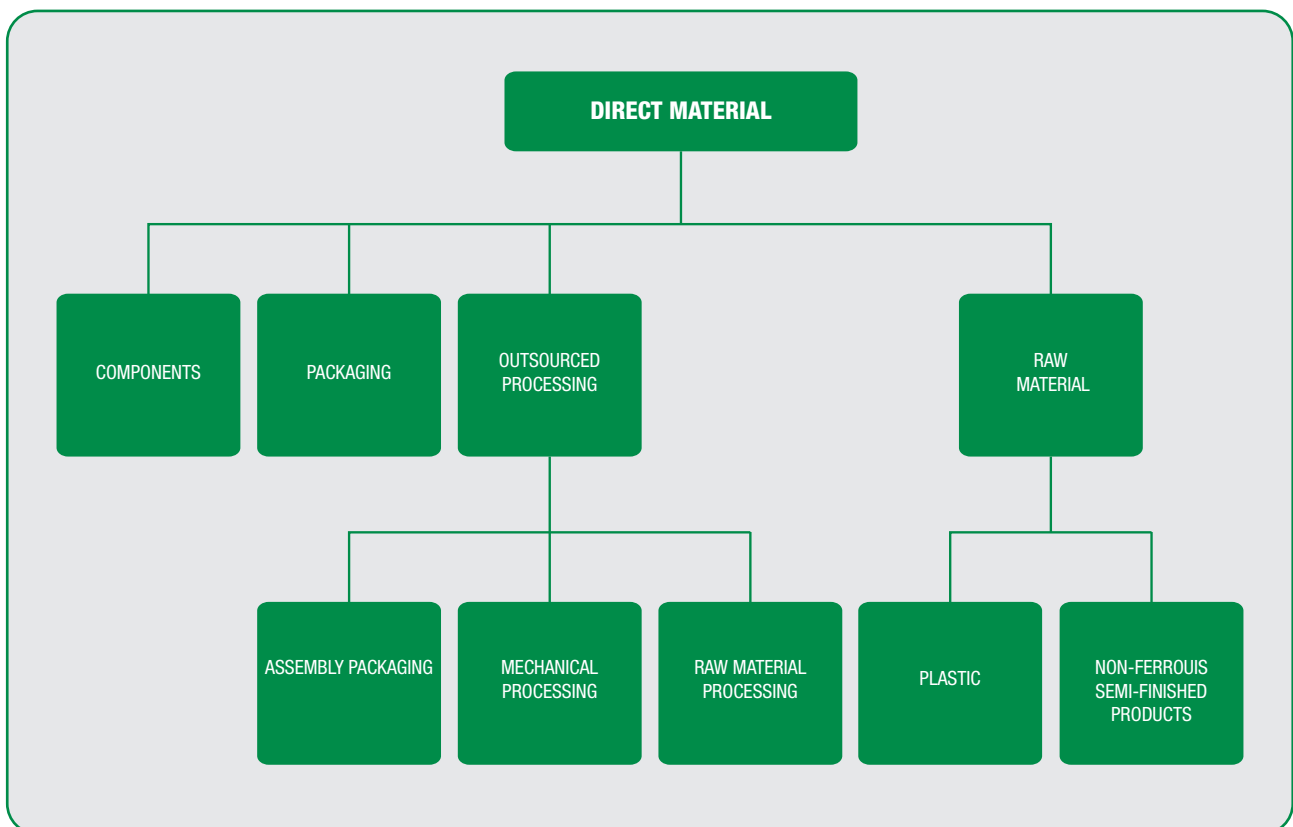
ISO 9001	ISO 14001	ISO 45001	ISO 27001	ISO 50001	SA 8000	AEOF	MOG 231	CODE OF ETHICS	OTHERS
6	3	2	1	0	0	1	4	5	CQOP-SOA



## 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, in the various alloys and formats, 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 also 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.

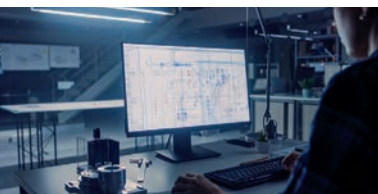
#### **Storage**

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.

<b>Stakeholders/Communication channel</b>	<b>Meetings</b>	<b>Presentations/ Boards/Committees</b>	<b>Telephone</b>	<b>E-mail</b>	<b>Agent/promoter</b>	<b>Trade fairs</b>	<b>Newsletters</b>	<b>Magazines</b>
Shareholders	✓	✓	✓	✓				
<i>Personnel</i>		✓	✓	✓				
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 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 <i>stakeholders</i> .	H	✓	✓
SUPPLIER MANAGEMENT	<i>Procurement</i> policies with suppliers, aiming to foster stable economic relationships and facilitate the entry of local or small suppliers.	H	✓	✓
	<i>Performance</i> assessment or environmental certifications in the suppliers qualification and selection process, to consider the environmental impacts also in the <i>supply chain</i> .	H	✓	✓
	<i>Performance</i> assessment or social certifications in the suppliers 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 G G G G
- M – Medium – medium impact G G G G
- H – High – high impact G G G G
- VH – Very High – very high impact G G G G

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 <i>organisation</i> to reduce or improve 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 <i>organisation</i> 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 <i>supply chain</i> .	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 <i>performance</i> of work; individual <i>performance</i> assessments; <i>company reward policy</i> ; <i>Caleffi Academy</i> .	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 <i>stakeholders</i> (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	✓	✓
<i>CUSTOMER SATISFACTION</i> (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 ( <i>PPM</i> ); <i>customer satisfaction</i> .	VH	✓	
PROTECTION OF <i>PRIVACY</i>	Adoption of adequate practices and tools to protect the right to <i>privacy</i> .	M	✓	✓
EMPLOYEE WELL-BEING	<i>Company welfare policy</i> ; life-work balance; supplementary healthcare insurance; supplementary company agreements.	VH	✓	✓
<i>EUROPEAN GREEN DEAL - CIRCULAR ECONOMY ACTION PLAN</i>	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		2023	2023 %	2022	2022 %	2021	2021 %
Revenues from sales and services		466,727	100.0 %	479,304	100.8 %	411,828	100.8 %
Other revenues		4,831	1.0 %	3,791	0.8 %	2,467	0.6 %
Other income and charges		3,330	0.7 %	1,021	0.2 %	1,089	0.3 %
Adjustments to income		-8,087	-1.7 %	-8,639	-1.8 %	-6,999	-1.7 %
<b>Direct economic value generated</b>		<b>466,802</b>	<b>100.0 %</b>	<b>475,477</b>	<b>100.0 %</b>	<b>408,385</b>	<b>100.0 %</b>
<b>Economic value distributed</b>	to suppliers	-259,323	-55.6 %	-282,352	-59.4 %	-248,256	-60.8 %
	to the <i>personnel</i>	-97,488	-20.9 %	-93,556	-19.7 %	-87,459	-21.4 %
	to the <i>personnel for welfare</i>	-750	-0.2 %	-1,355	-0.3 %	-875	-0.2 %
	to the <i>personnel for benefits</i>	-606	-0.1 %	-532	-0.1 %	-441	-0.1 %
	to the Public Administration	-30,481	-6.5 %	-26,460	-5.6 %	-18,713	-4.6 %
	to social partners	-389	-0.1 %	-364	-0.1 %	-326	-0.1 %
	to society and the community	-300	-0.1 %	-324	-0.1 %	-321	-0.1 %
	to/from commercial and financial partners	-90	-0.0 %	-204	0.0 %	-54	0.0 %
<b>Economic value distributed</b>		<b>-389,426</b>	<b>-83.4 %</b>	<b>-405,147</b>	<b>-85.2 %</b>	<b>-356,445</b>	<b>-87.3 %</b>
<b>Economic value not distributed</b>		<b>77,376</b>	<b>16.6 %</b>	<b>70,330</b>	<b>14.8 %</b>	<b>51,940</b>	<b>12.7 %</b>



## 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 transactions implemented to elude tax laws. The *group* must ensure 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, 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. They are responsible for the conformity to the laws and the fiscal strategy. 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 2022, i.e., the year relating to the most recently approved and audited (where applicable) financial statements for each of the consolidated companies.

## Tax Year 2022

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	1,115
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	4
France	Caleffi France E.U.R.L.	Agency	13
Germany	Caleffi Armaturen GmbH	Distribution	32
Ireland	Altecnic Ltd.	Distribution	1
Poland	Caleffi Poland Sp. Zo.o	Distribution	22
Portugal	Caleffi Componentes Hidrotermicos Lda.	Distribution	18
Slovenia	Caleffi Hidrotermika d.o.o.	Distribution/agency	15
The Netherlands	Caleffi International N.V.	Distribution/sub-holding	13
Turkey	Caleffi Isitma Sogutma Sistemleri Anonim Sirketi	Distribution	14
United Kingdom	Altecnic Ltd.	Distribution	102
United States of America	Caleffi North America Inc.	Distribution	46
<b>Total</b>			<b>1,420</b>

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
410,266	85,501	101,097	19,496	21,392	Time differences; tax relief; non-deductible charges; non-taxed income.
8,780	1,265	912	315	315	
4,779	290	0	38	83	
1,682	478	6	72	110	
2	118	161	56	32	
25,312	2,160	1,646	502	629	
3,137	158	0	14	15	
7,430	738	573	67	67	
7,866	1,162	1,853	197	273	
4,716	44	299	17	6	
7,204	603	1,047	27	107	
3,473	-251	-1	0	0	
58,668	6,396	28,109	1,225	1,159	
40,380	6,986	3,812	1,921	1,814	
	<b>105,648</b>	<b>139,514</b>	<b>23,947</b>	<b>26,002</b>	





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

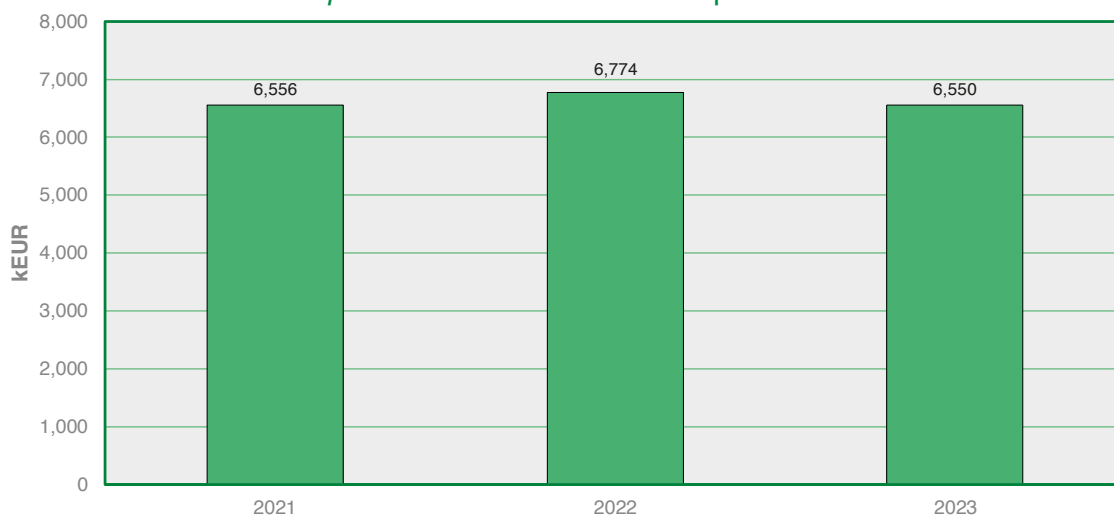
For the *group*, climate change is both a risk factor and an opportunity. The *group* works in sectors that benefit positively from the drive for change generated by the desire of countries, organisations and people to help reduce their impact on climate change. For example, the efforts made to reduce emissions into the atmosphere by using less fossil fuel to heat the buildings, or water savings. 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

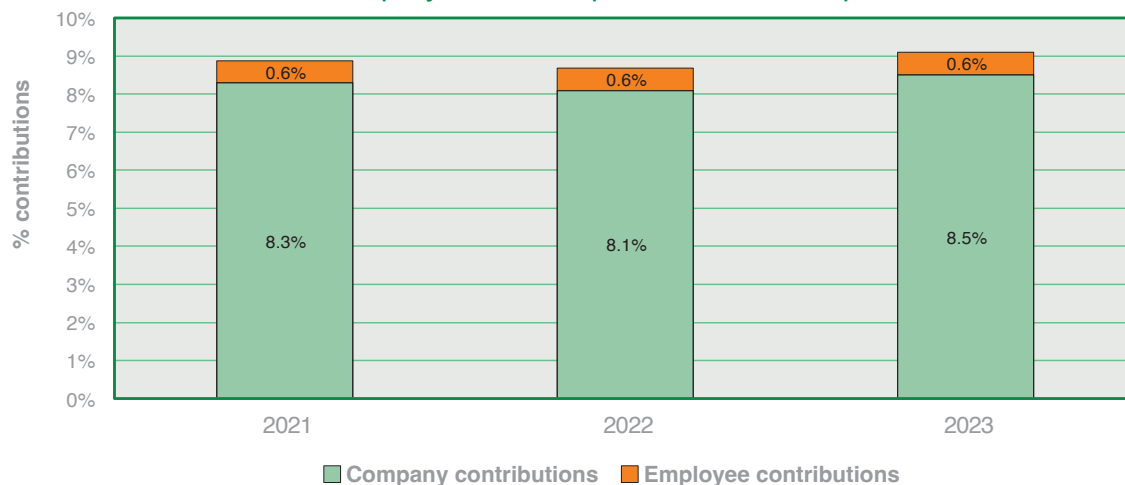
The graph below expresses the liabilities, at 31 December of each year, deriving from the commitments to the *defined benefit plans* and other retirement plans.

*Defined benefit plans and other retirement plans - Liabilities*



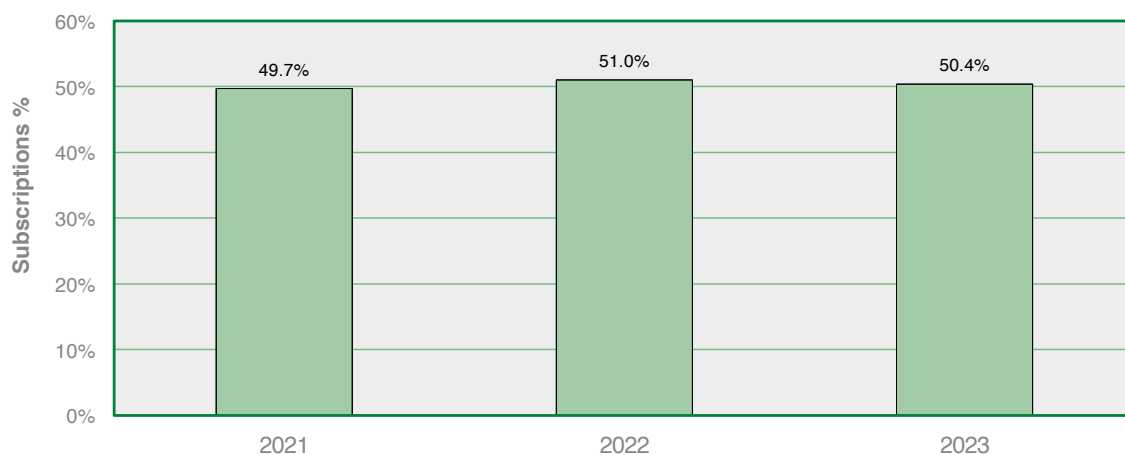
These liabilities relate mainly to the *Employee Severance Pay* for the companies under Italian law. The law on *Employee Severance Pay* applies to all employees of Italian companies. No assets were entered in the financial statements. The entered *Employee Severance Pay* represents the effective debt 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 *permanent employees* of the *group*, and the employer contributed to the *defined benefit plans* as follows:

### Contribution to employee benefit plans, 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

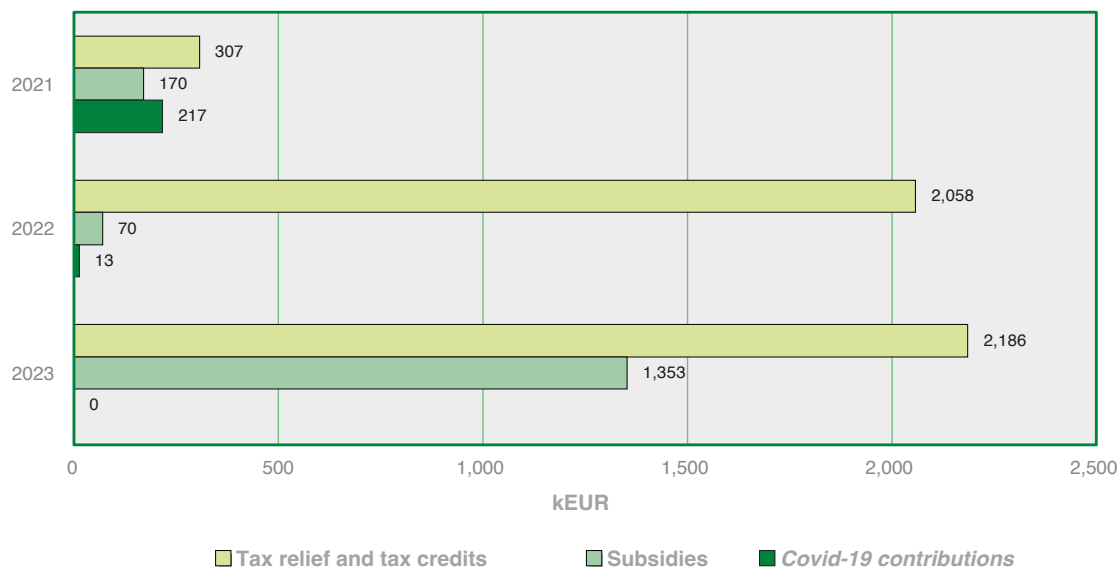




## 5. Financial assistance received

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

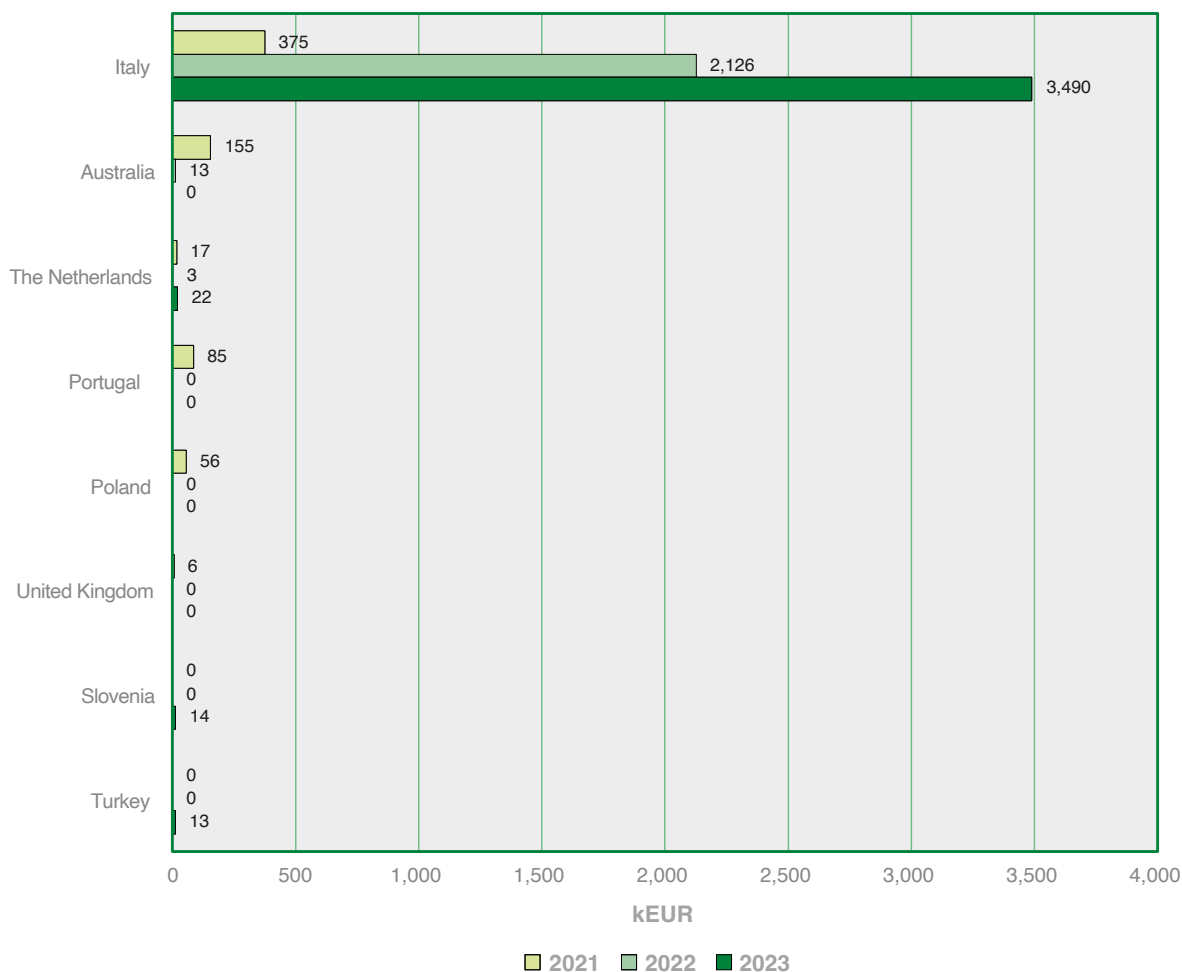
### Financial assistance received



In 2021 the various companies in the *group* received financial support from the governments as a consequence of the *Covid-19* pandemic. In 2022 and 2023, due to the effect of the Russian Federation's aggression on Ukraine, gas and energy costs increased significantly. The Italian government intervened to support businesses by introducing tax credits to partially compensate the increasing production charges. Furthermore, in 2021, 2022 and 2023, 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 2023 *Caleffi* received the first tranche of an operating grant for an innovation project governed by a MISE call for applications 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*



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 the study and experimentation of our products, especially those linked to alternative energies, for which a specific laboratory was set up.

Attention to the environment concerns not only our products but all 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 an increasingly large quantity of our production processes, counting for around 8 % of the alloys processed. 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 by around 60 % and replaced with other ecological materials (e.g., paper and cardboard). In order to further improve the sustainability of our packagings, a study is also underway to replace, where possible, polyethylene packagings with other materials.

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 green improvements.



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



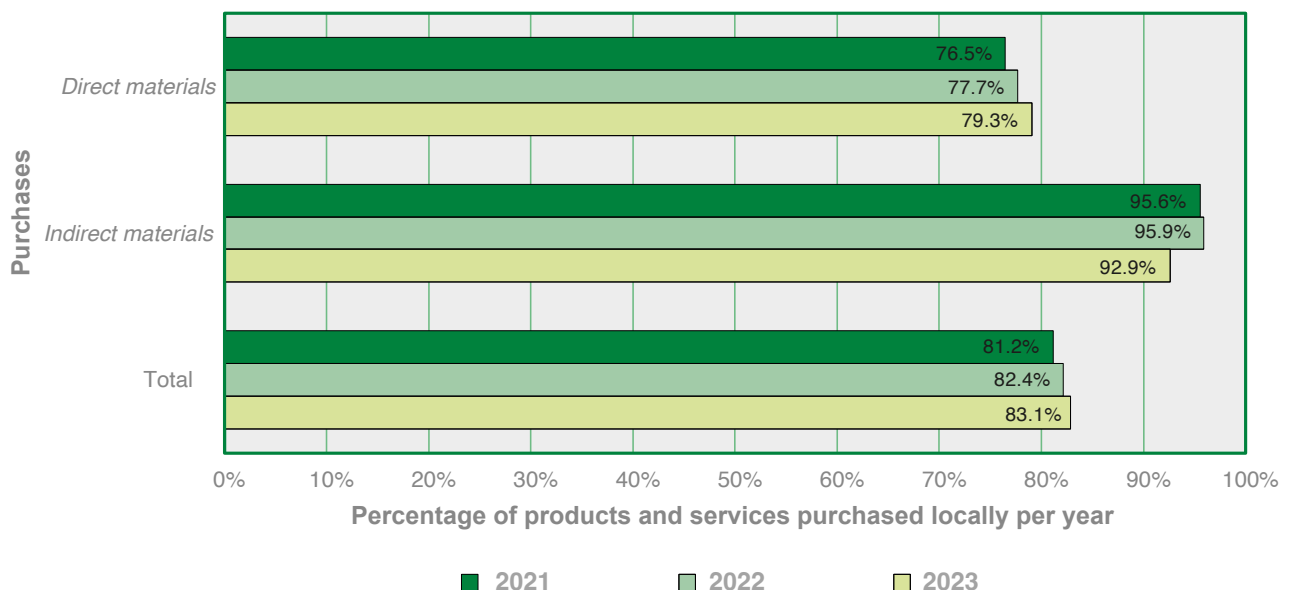
In the last few years, the significant increase in costs, the most evident of which are the costs of raw materials and energy, and the sourcing difficulties due to shortages of materials, longer delivery times and logistics problems, have further underlined the strategic importance of the *procurement* chain in the management of the business.

The *group* has always assured a central role to its *procurement* function and the management of its suppliers, 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.

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 led to further improvements in 2023 of the *procurement* rates from “local” suppliers, which exceeded 83%: specifically, over 79 % of *direct materials* and around 93% of *indirect materials* came from local suppliers. As can be seen in the graph, although the percentage of local suppliers is historically very high, a further growth trend can be seen in the last three years.

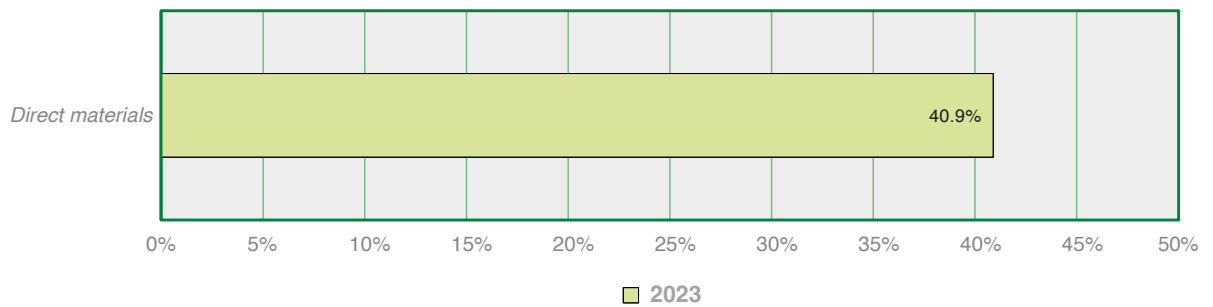
The *group* considers all suppliers with headquarters in the country where each company has its headquarters as “local”.

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.

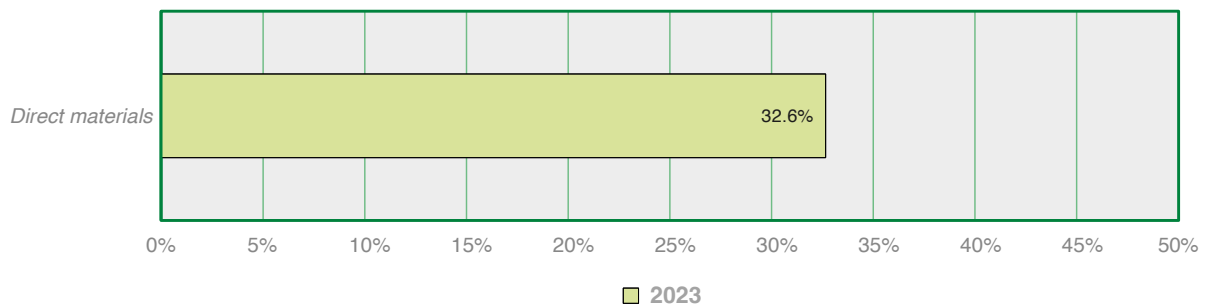
The percentage of suppliers of *direct materials* also assessed on the basis of environmental criteria is given below.

### Suppliers assessed for environmental impacts



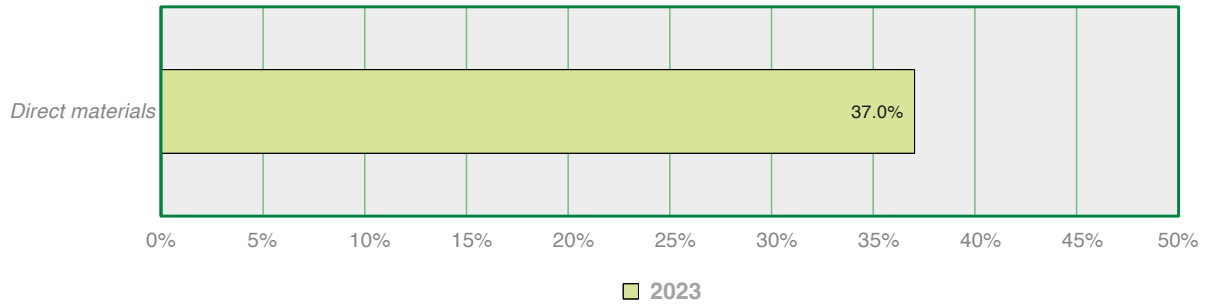
With new procedures and assessment questionnaires, the data for 2023 relating to the selection of new suppliers on the basis of environmental criteria show how sustainability goals are an important parameter in the selection of commercial partners.

### New suppliers selected according to environmental criteria



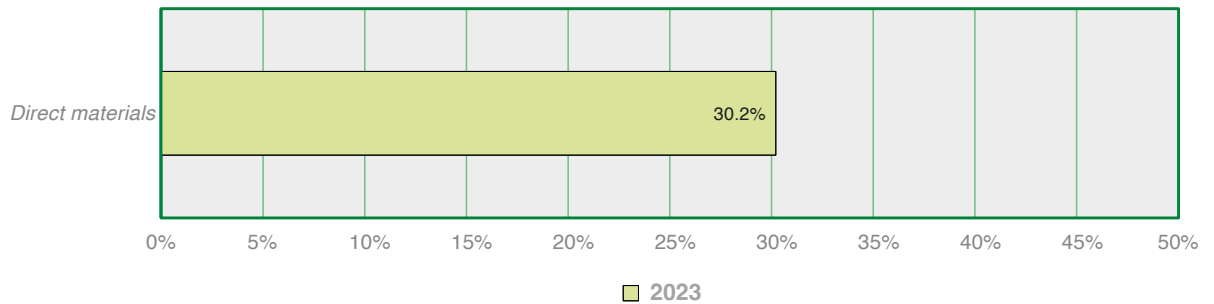
The percentage of suppliers of *direct materials* also assessed on the basis of social criteria is given below.

### Suppliers assessed for social impacts



Similarly to the environmental criteria, the 2023 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.

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.



## 8. Ethics



### Anti-corruption communication and training

We strongly 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 year, we trained almost 200 people in anti-corruption, doubling the number of participants in this important initiative, 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.

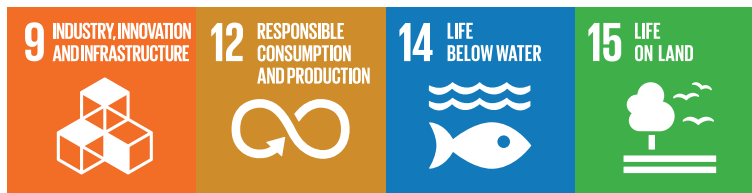
*Caleffi* has received no reports from the Supervisory Body about any whistleblowing or reports of breaches of the *Organisational Model* or other offences concerning the *group*.



# ENVIRONMENTAL AREA



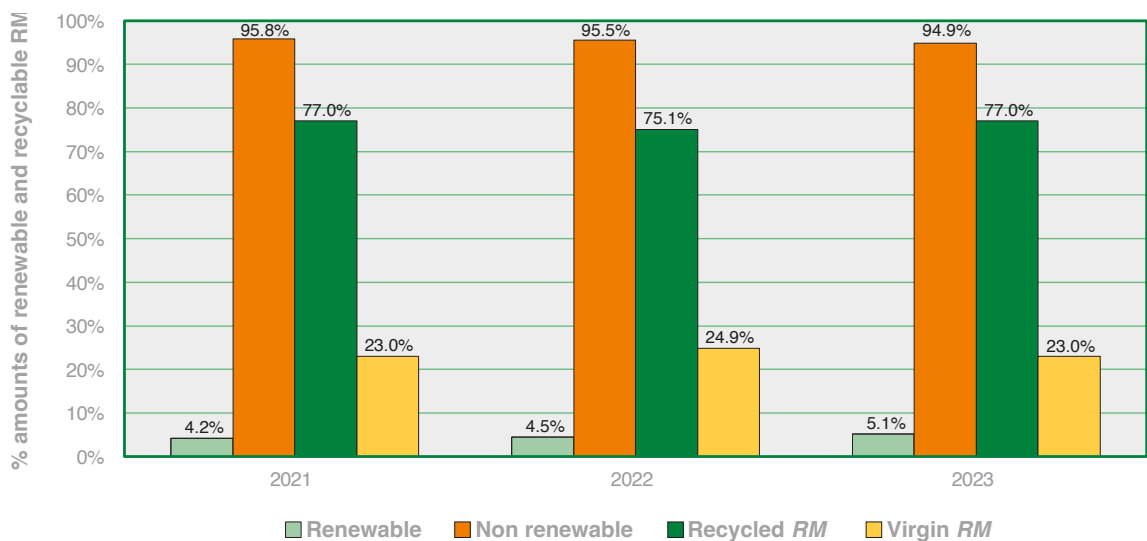
## 1. Raw materials



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



The brass used comes from the recovery of internal scrap, from which we separate large quantities of cutting fluids, which we return to the production processes. The metal alloy is sent to the drawing mills to be re-transformed over

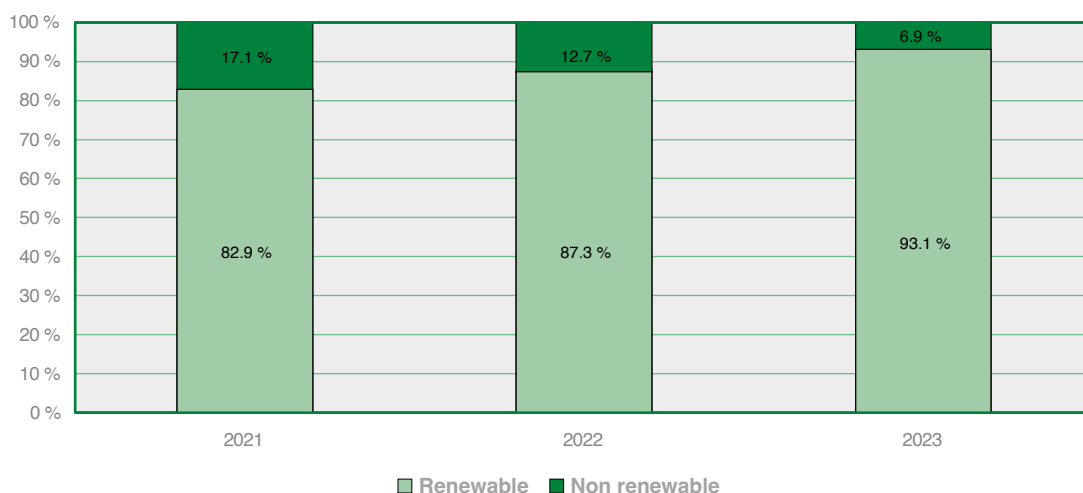
and over into brass bars, in a continuous material recycling process. Apart from a minimal physiological loss in the transformation process, there is no physical limit to the number of brass recycling cycles.

	2023 kg	2022 kg	2021 kg
Renewable raw materials	1,057,177	1,187,667	1,118,143
Non-renewable raw materials	19,640,242	25,385,977	25,433,469
Virgin raw materials	4,750,178	4,699,333	6,115,007
Recycled raw materials	15,947,241	14,193,471	20,462,295

In turn, the finished products can also be recycled if made from metal alloys. Moreover, the plastics used can also be sent to firms for recycling or, in part, may be recycled in-house. Some of the ancillary production materials can also be used again in our production cycle. All this helps us to consume fewer natural resources.

We also pay close attention to our product packaging, and prefer to use those 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 are replacing 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 completed around 70 % of this activity. In order to promote correct information for all *stakeholders*, every package leaving the *Caleffi* plants include a QR Code that links to an information page on the company website that provides all the information currently available information on the correct disposal of our packagings.

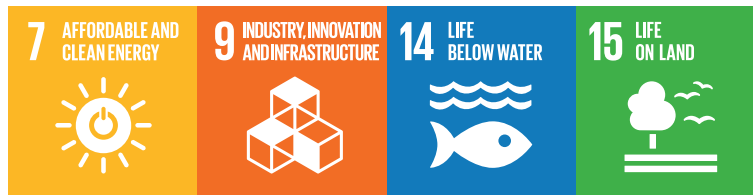
<https://packaging.caleffi.com/>

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

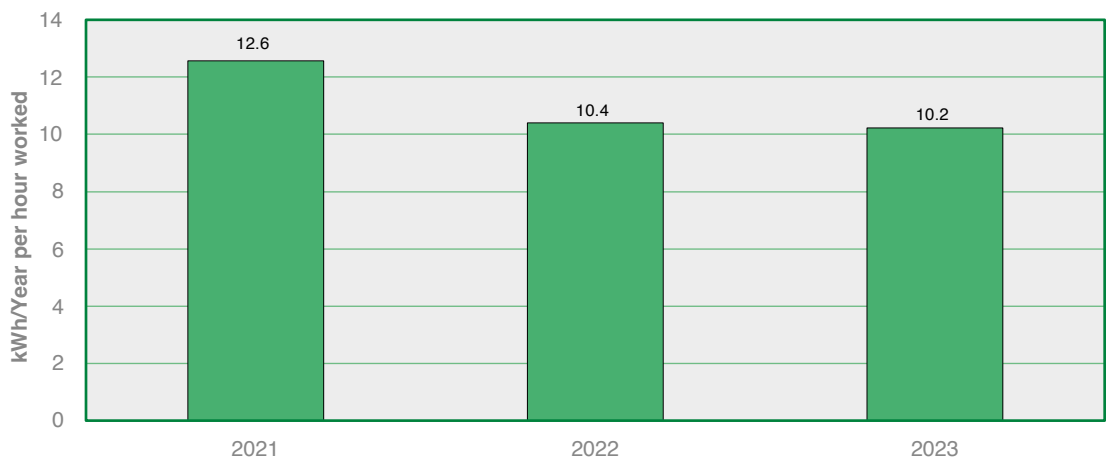


### Electrical consumption

Our production processes and ancillary activities, mainly located in Italy, use a lot of electrical energy. The electricity used comes mainly from the national grid. Having always paid close attention to these aspects, we have introduced major improvements to our processes and plants, which have allowed us to reduce energy consumption, despite the increase in hours worked in both absolute and relative terms. In the last year, operational dynamics have underlined a drop in electricity consumption compared to previous years. 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.

	2023	2022	2021
Electrical energy in kWh	25,709,433	29,213,618	29,012,096
Electrical energy in GJ	92,554	105,163	104,444

### 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. 2023 recorded a growth of almost 90 % of the share of energy derived from the current photovoltaic systems. We plan to further increase this share in the near future.

The same constant used to transform kWh into GJ was also applied to self-produced energy.

	2023	2022	2021
Self-produced energy in kWh	370,555	196,727	25,390
Self-produced energy in GJ	1,334	708	91

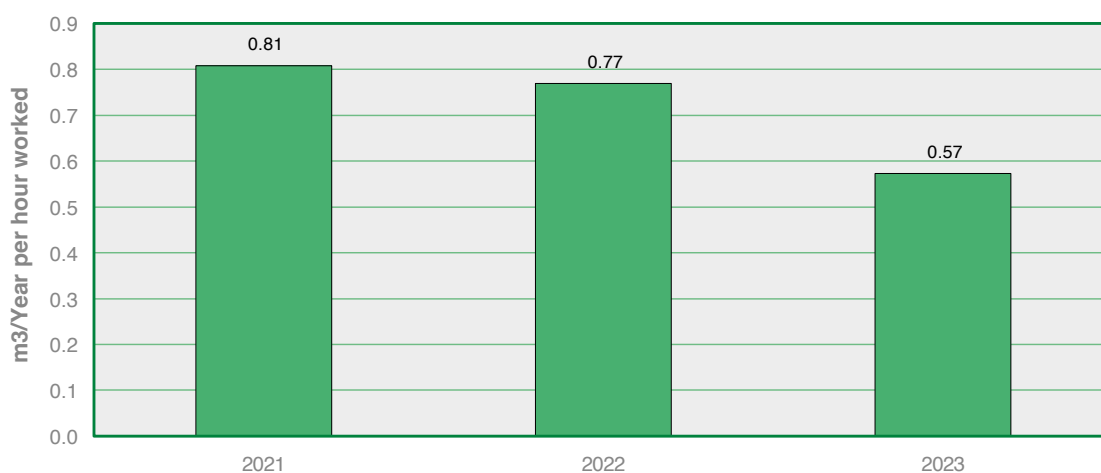
### Methane gas

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 buildings. 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. In addition, the continuing mild winters have helped to contain gas consumption for heating the work places, as represented below.

The total thermal energy was calculated by considering the conversion factor indicated by *DEFRA*, equal to 0.040094 GJ/m<sup>3</sup>.

Methane gas	2023	2022	2021
m <sup>3</sup> /year	1,441,627	1,799,093	1,864,725
GJ/year	57,801	72,133	74,764

### Consumption of methane per hours worked



We consider energy consumption aspects to be of huge importance. Attention is especially high in the *group's* Italian production sites.



These fall under the field of application of Italian Legislative Decree no. 102/14. Therefore, energy surveys have been conducted to identify and plan a series of energy efficiency interventions, including:

- the installation of photovoltaic systems;
- the replacement of luminaires with others using LED technology;
- the recovery of the heat produced by the compressor station;
- the replacement of 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), will cover around 15 % of the site's consumption of electricity. Photovoltaic panels will also be installed in the following branches: Caleffi North America Inc., Caleffi Componentes Hidrotermicos Lda. and Altecnic Ltd. The total annual production of these new systems, which be start operations in 2024, is 350 MWh. A further increase of 44.5 MWh will be completed in 2025/2026 by the Portuguese company Caleffi Componentes Hidrotermicos Lda.

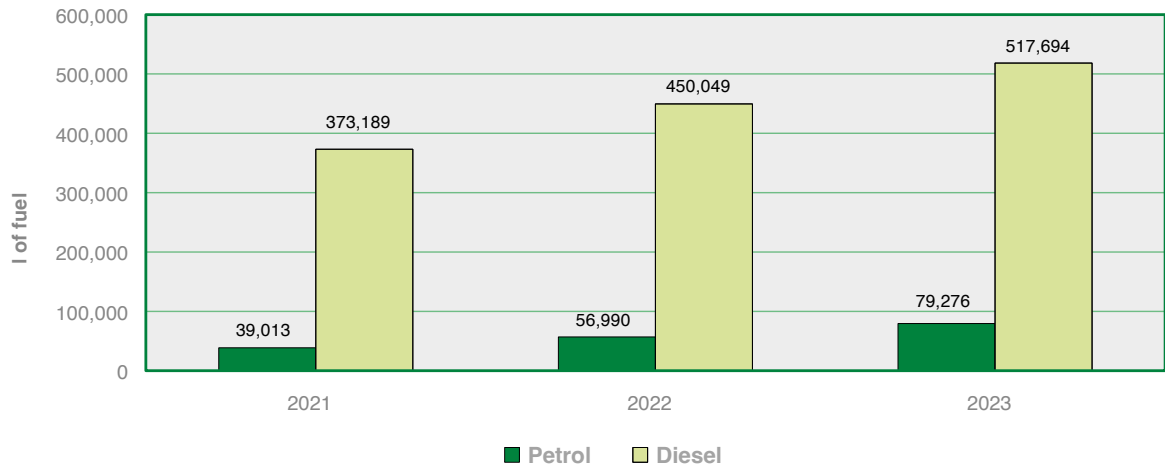
## Fuels

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 were considered using the conversion factors provided by *DEFRA*, respectively equal to 0.034062 GJ per litre of petrol and 0.037821 per litre of diesel oil.

	2023	2022	2021
Litres of Petrol	79,276	56,990	39,013
Litres of Diesel Oil	517,694	450,049	373,189
GJ of Petrol	2,700	1,941	1,329
GJ of Diesel Oil	19,580	17,021	14,114

## Consumption of fuels for motor vehicles



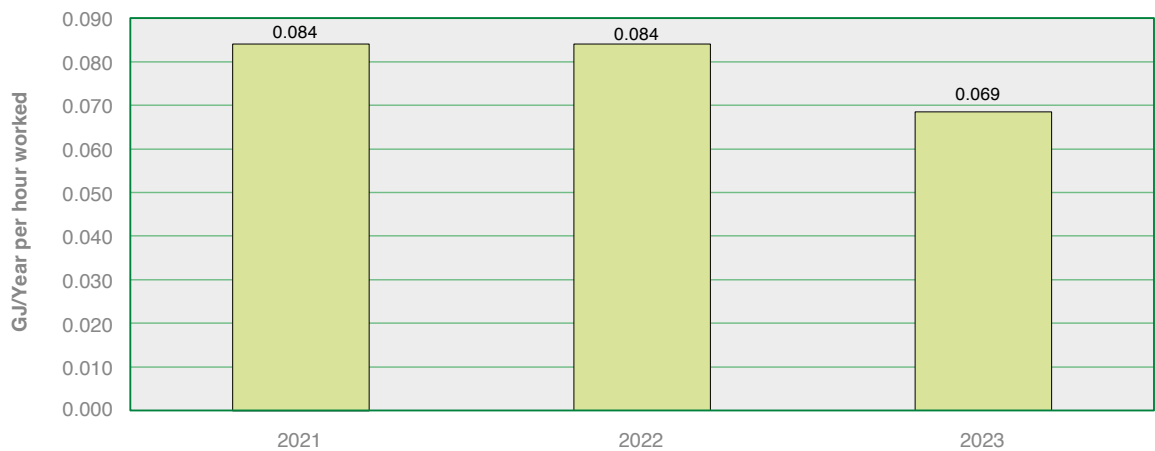
With the end of the restrictions imposed during the pandemic, which significantly reduced movements, and the increase in the number of technical and sales staff working in the community, fuel consumptions have started growing again.

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* reduced 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



Water is used in the companies of the *group* 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 and washing. 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 are recorded. Processing wastes are managed as liquid waste. They are delivered to specifically authorised companies that subject them to chemical and physical treatment.

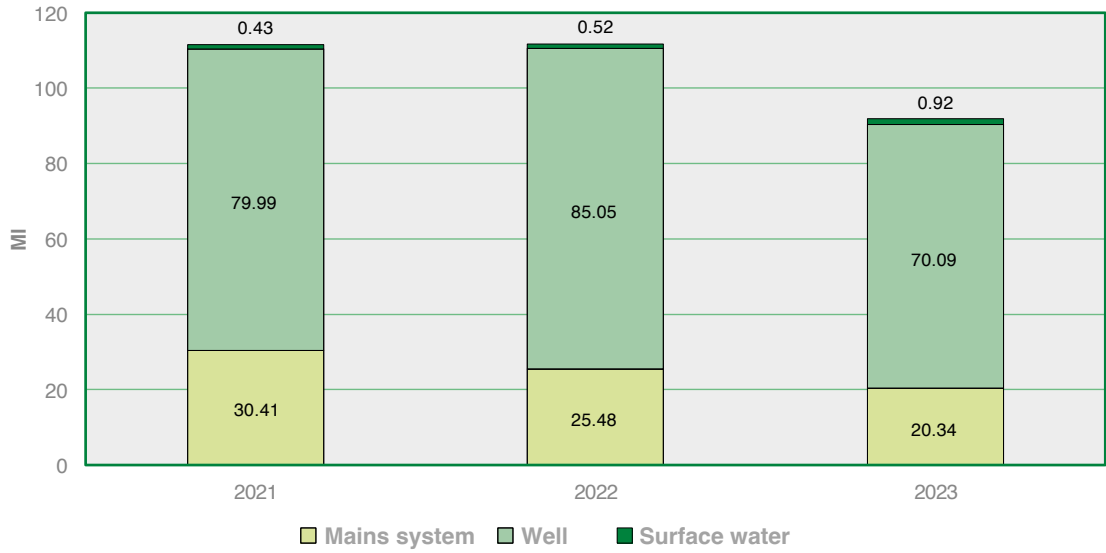
Aware of the extreme importance of this resource, we have identified all the internal areas that use water, preferring where possible to use non-potable water for uses other than human consumption.

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.

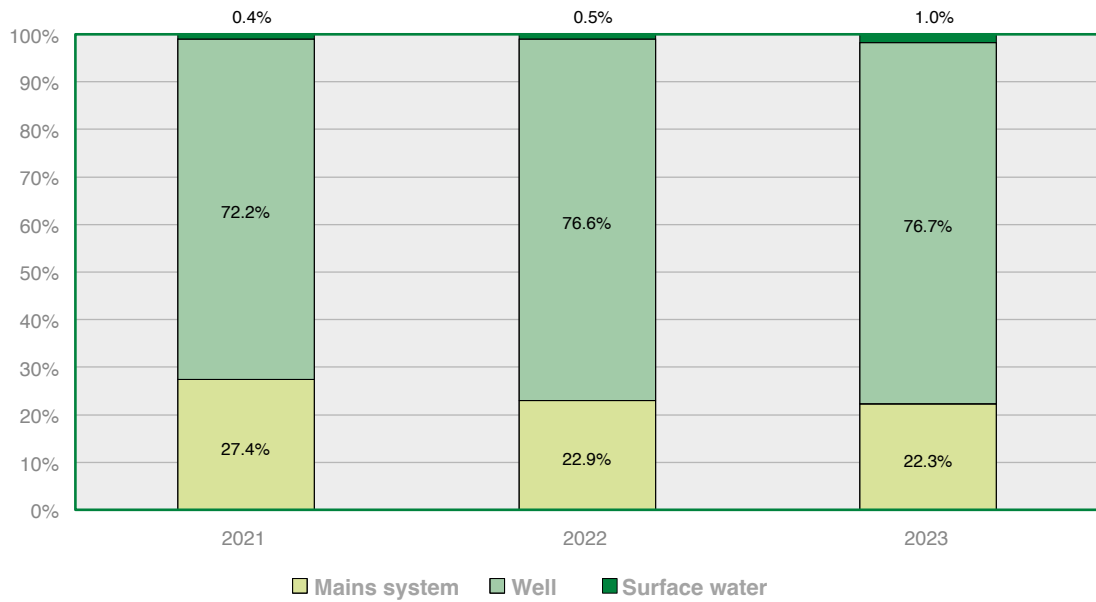
Moreover, at the site of the *parent company* which, due to its size and activities is certainly the one that uses most water, the demineralisation of the water used in the production processes has been optimised, saving around 14 % of water withdrawn from wells.

For 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.

## Water procurement

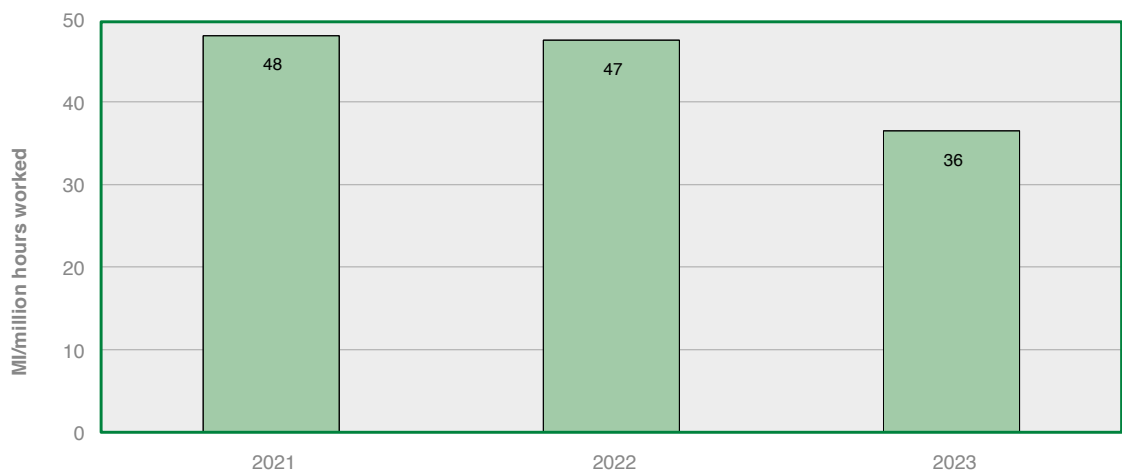


## Composition of water procurement



Demonstrating the effectiveness of the actions undertaken, the following graph shows how the widespread efforts in recent years have led to an overall reduction in consumption even in relation to the increase in hours worked.

## Water consumption per hours worked





## 4. Emissions



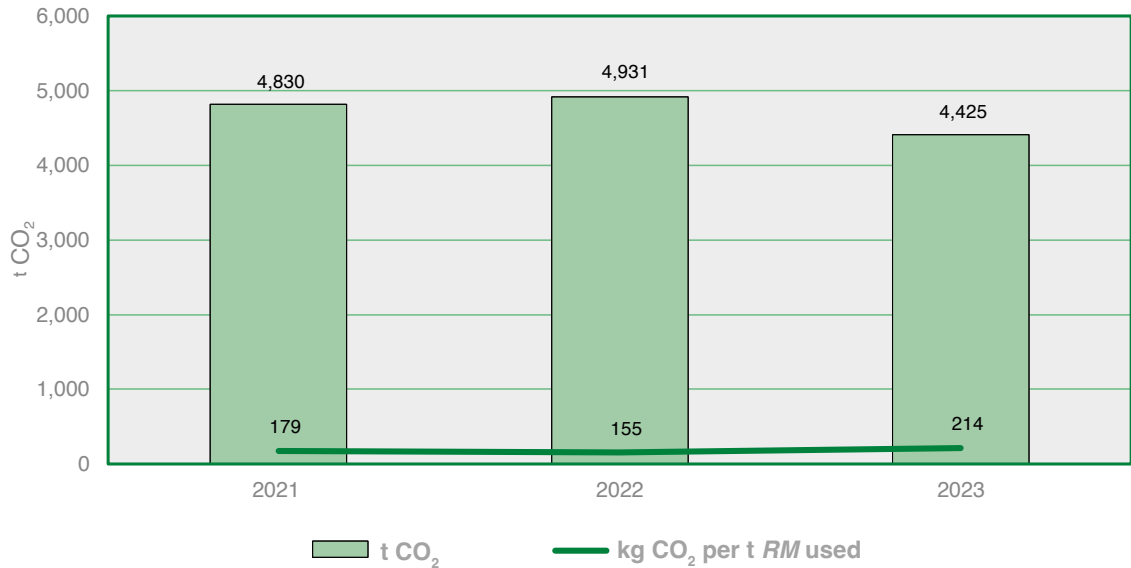
Emissions into the atmosphere originate mainly in the production plants where mechanical processing is performed, including the removal of material, moulding washing and those produced by the heating plants. By their nature, as defined in the applicable regulations, these emissions are considered to 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 the *Scope 1 CO<sub>2</sub> emissions* deriving from the use of methane gas and the circulation of company vehicles, we recorded the trends in this factor and report a significant drop compared to the first year of observation, even though then the consistent increase in fuel consumption has led to an increase in the levels of Scope 1 CO<sub>2</sub> emitted, 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 <sub>2</sub> per unit of energy
Methane gas	2.038390310
Petrol	2.345025346
Diesel oil	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 30 % of which affects *Scope 1 CO<sub>2</sub> emissions*.

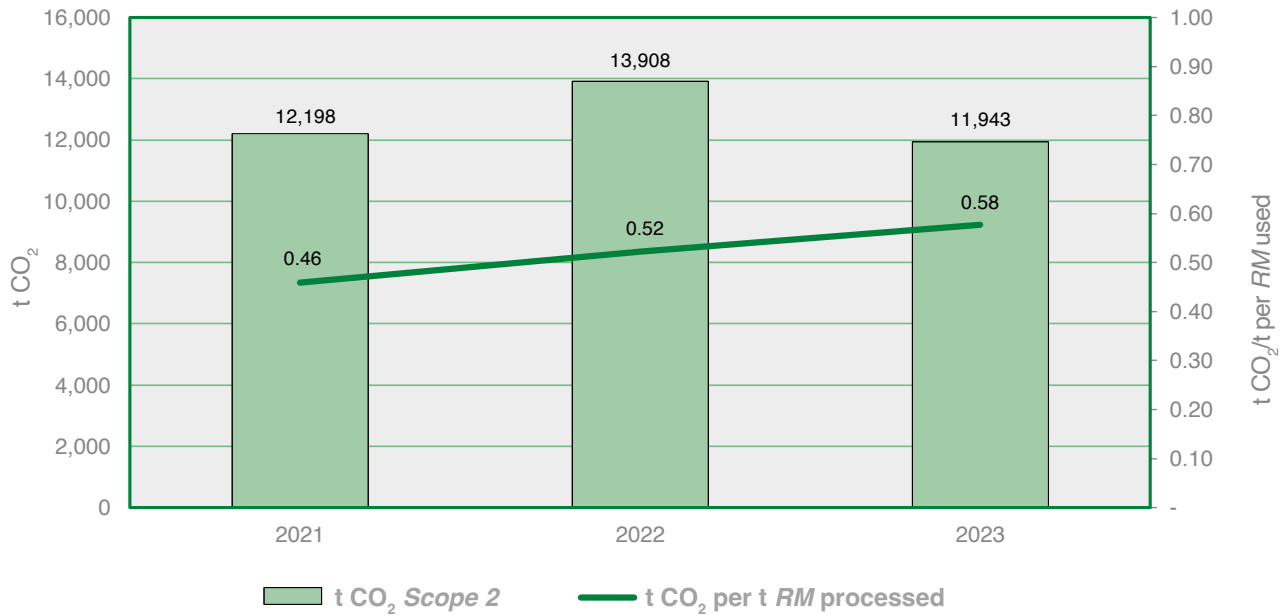
## Scope 1 CO<sub>2</sub>



The *Scope 2 CO<sub>2</sub> emissions*, those deriving from the generation of purchased energy, underline in absolute terms a fluctuating trend, due basically to the reduction in the quantities of purchased energy. 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<sub>2</sub> emissions* are on the increase. 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 <sub>2</sub> Scope 2 emissions				
Geographical location	Company	2023	2022	2021
Italy	Caleffi S.p.A.	0.2679	0.3100	0.2700
Italy	Pressco S.p.A.	0.2679	0.3100	0.2700
Italy	Fratelli Creola S.r.l.	0.2679	not applicable	
Italy	RDZ S.p.A.	0.2679	0.3100	0.2700
Italy	Cristina S.r.l.	0.2679	0.3100	0.2700
Germany	Caleffi Armaturen Gmbh	377.0000	350.0000	310.0000
Portugal	Caleffi Componentes Hidrotermicos Lda.	0.0000	0.0000	0.0000
The Netherlands	Caleffi International N.V.	152.9000	152.9000	160.0400
United Kingdom	Altecnic Ltd.	0.2071	0.1934	0.2123
United States of America	Caleffi North America Inc.	0.0004	0.0004	0.0005
Slovenia	Caleffi Hidrotermika d.o.o.	0.0005	0.0005	0.0005
France	Caleffi France E.U.R.L.	11.2300	11.2300	11.2800
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	159.0000
Poland	Caleffi Poland Sp. Zo.o	685.0000	685.0000	708.0000
Turkey	Caleffi Isitma Sogutma Sistemleri Anonim Sirketi	0.4390	0.4390	0.4390

## Scope 2 CO<sub>2</sub>



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 prevent 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 use some plastic scrap in the same processes that generated them, without the need for prior treatment.

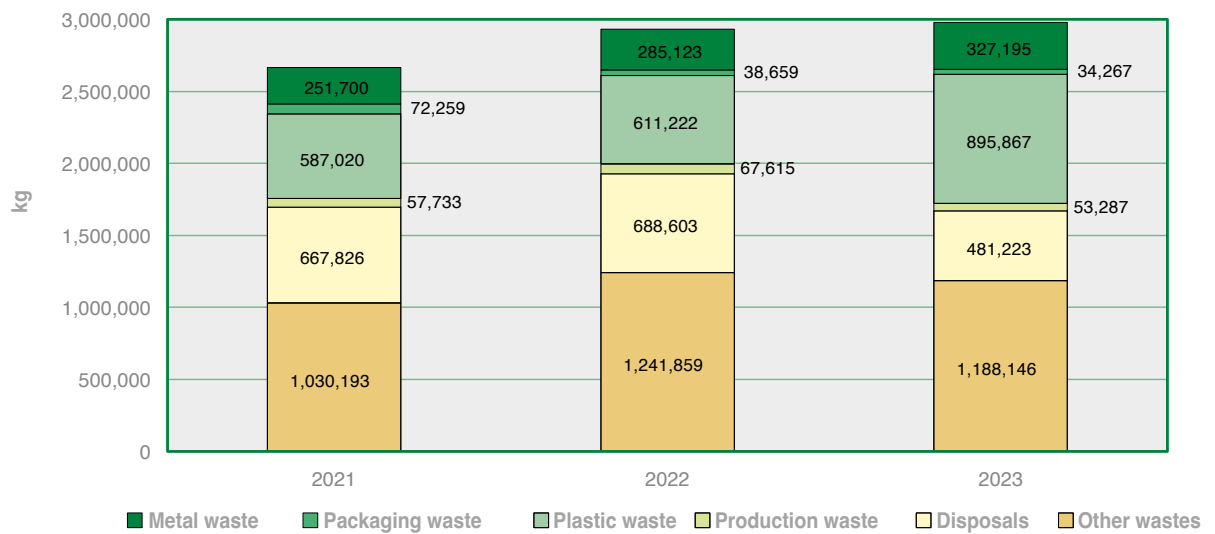
Moreover, metal scraps sent to Italian drawing mills are not managed as waste as they are “by-products” pursuant to the provisions of *Italian Legislative Decree no. 152/06*, although those sent to foreign drawing mills are not as this specific law does not exist in these countries. In both cases, in any case, these scraps are transformed back into processable raw materials, once again promoting the recovery and recycling of the materials.



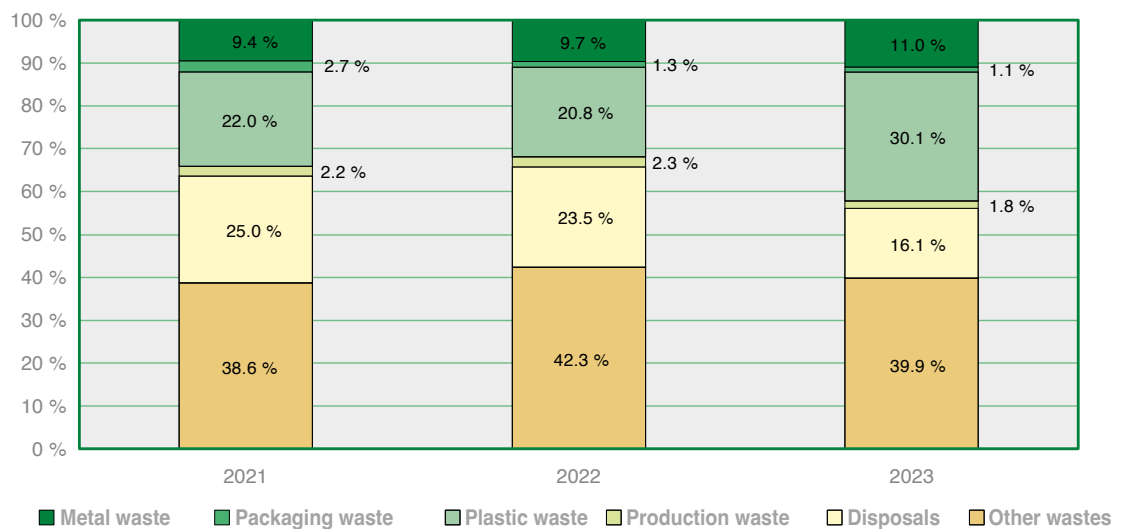
Again one of the characteristic outputs of our mechanical processing are significant amounts of process waste which, in order to avoid impacts on the local environmental matrices, are always managed in specific plants and containers. These types of waste are always sent to treatment facilities, the authorisations 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 that the increase in produced waste quantities is essentially due to the greater amount of packagings and production waste produced in the last year. In particular, going against the production data, the greater amount of waste generated is due to extraordinary maintenance performed on machinery and plants.

### Waste by type

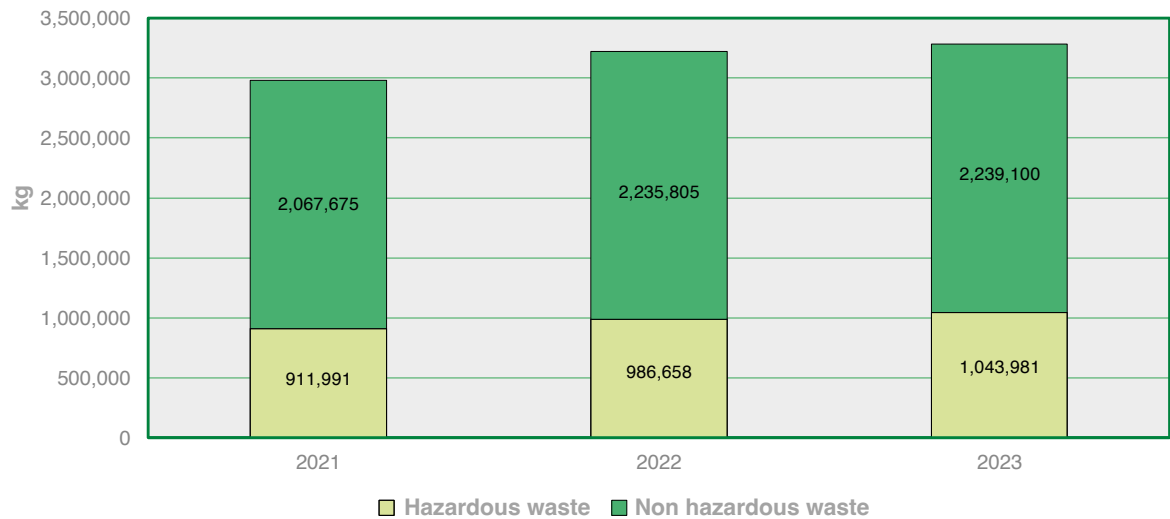


### Composition of waste by type

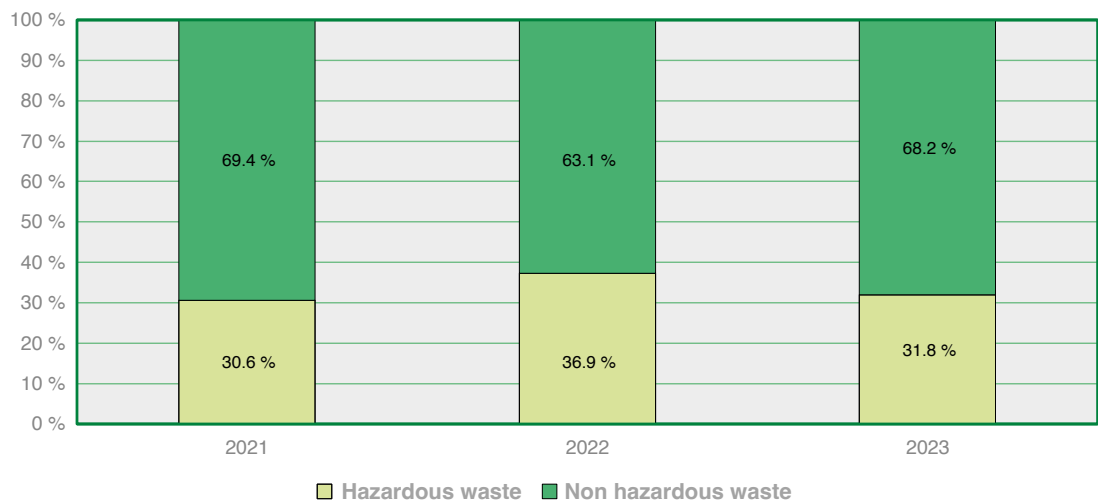


Generally, the main part of our waste is non hazardous, which depends essentially on the large quantities of metal scraps delivered as waste. The fluctuating data trends are also due to various maintenance and decommissioning activities (of machinery and plants) which may have a different impact from one year to the next.

### Waste by hazardousness

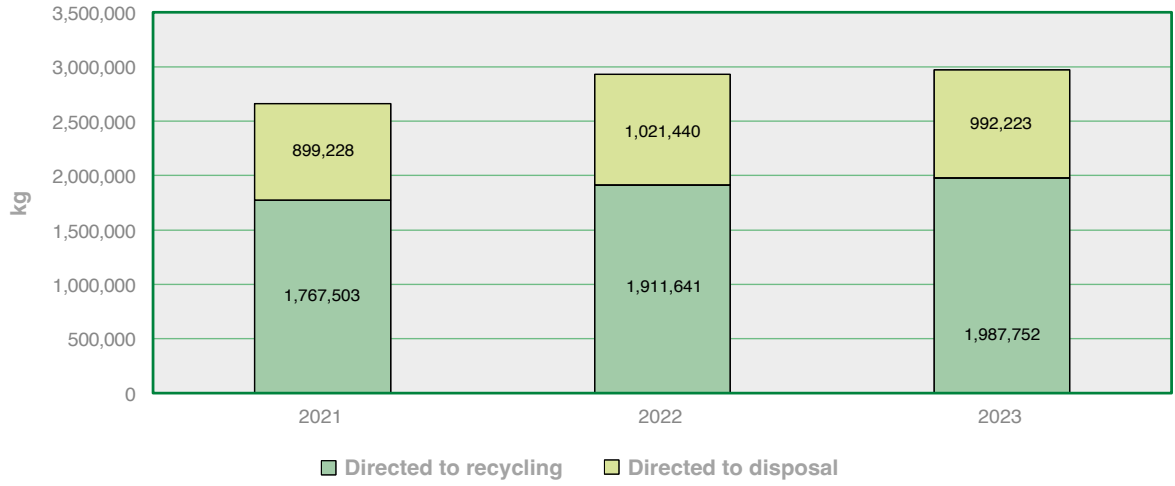


### Composition of waste by hazardousness

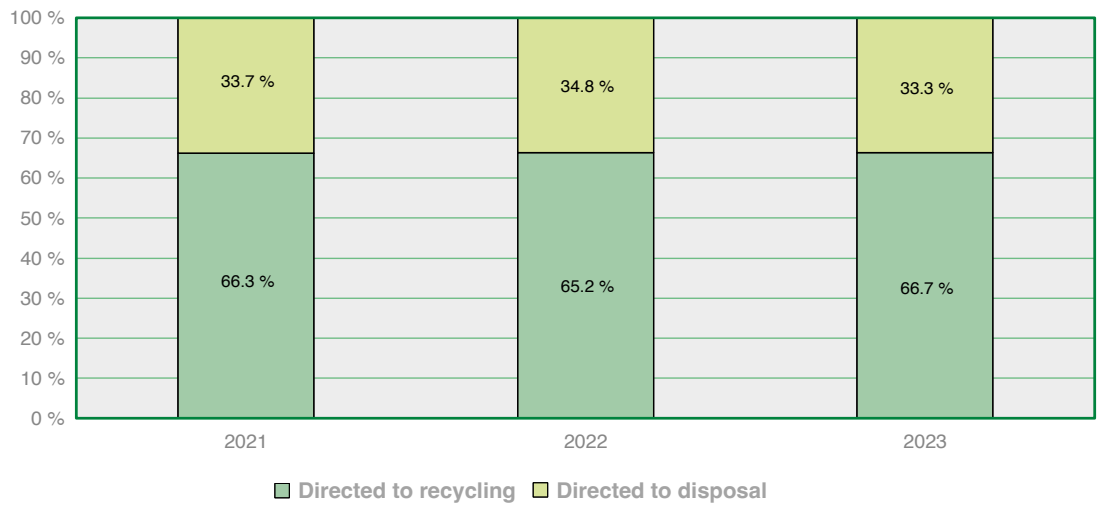


Most of the waste generated is sent to plants for recovery, while that directed to disposal is normally subject to chemical and physical treatment prior to final disposal. No waste materials are sent for burial in landfills.

### Destination of waste



### Destination of waste





# SOCIAL AREA

## PEOPLE

The main resource available to the companies in our *group* are our people. Everyone plays a key role in their *organisation* and, therefore, close attention is paid to their management. The Human Resources Department oversees all *personnel* management activities, from contract management to more strategic local and *group* level arrangements.

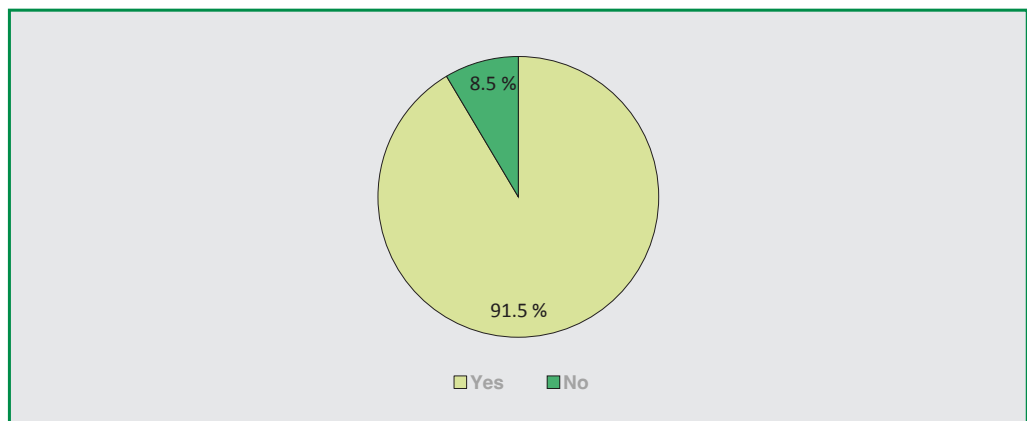


### 1. Employment



All employees of the Italian companies are hired in line with the related national collective *bargaining agreements*. Specific local regulations apply to the companies established under foreign law.

#### Employees hired under *collective bargaining agreements*



## Headcount

The group's permanent employees are divided as follows.

Personnel by category/ Contract type - number of persons	2023	2022	2021
Executives (permanent)	43	38	36
Executives (fixed-term)	0	0	0
Middle Managers and White Collar (permanent)	667	653	615
Middle Manager and White Collar (fixed-term)	16	19	10
Blue collar (permanent)	731	701	693
Blue collar (fixed-term)	10	9	4
<b>Total</b>	<b>1,467</b>	<b>1,420</b>	<b>1,358</b>

The group's temporary workers are divided as follows.

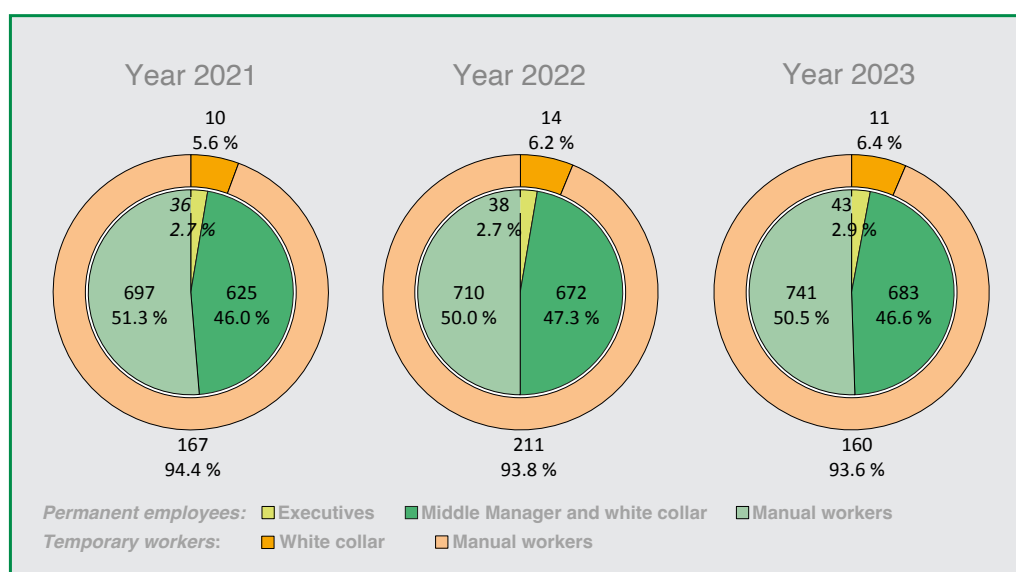
Personnel by category/ Contract type - number of persons	2023	2022	2021
Middle Manager and White Collar (temporary)	11	14	10
Blue collar (temporary)	160	211	167
<b>Total temporary workers</b>	<b>171</b>	<b>225</b>	<b>177</b>

The above tables separates the number of permanent employees from temporary workers, who counted for a significant number of personnel in the reported years, thanks to the strong business development.

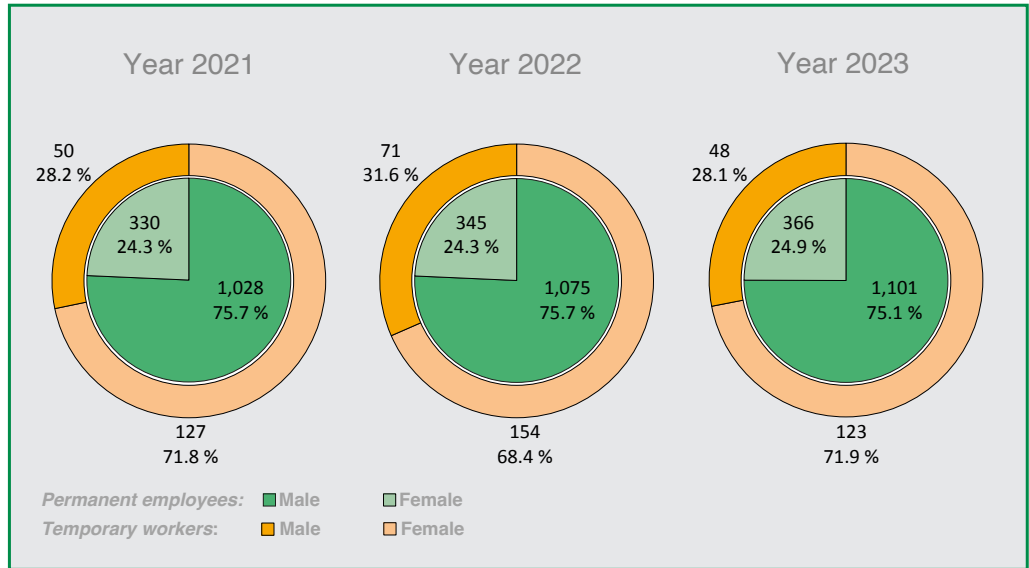
The average seniority of the permanent employees at 31 December 2023 was 13 years and 5 months in the group.

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

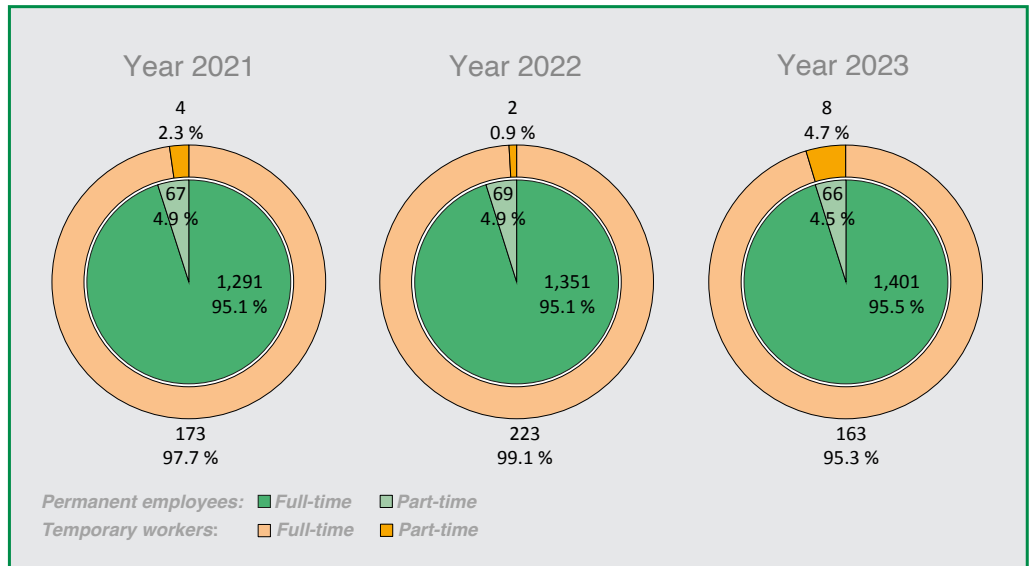
## Personnel by contractual category



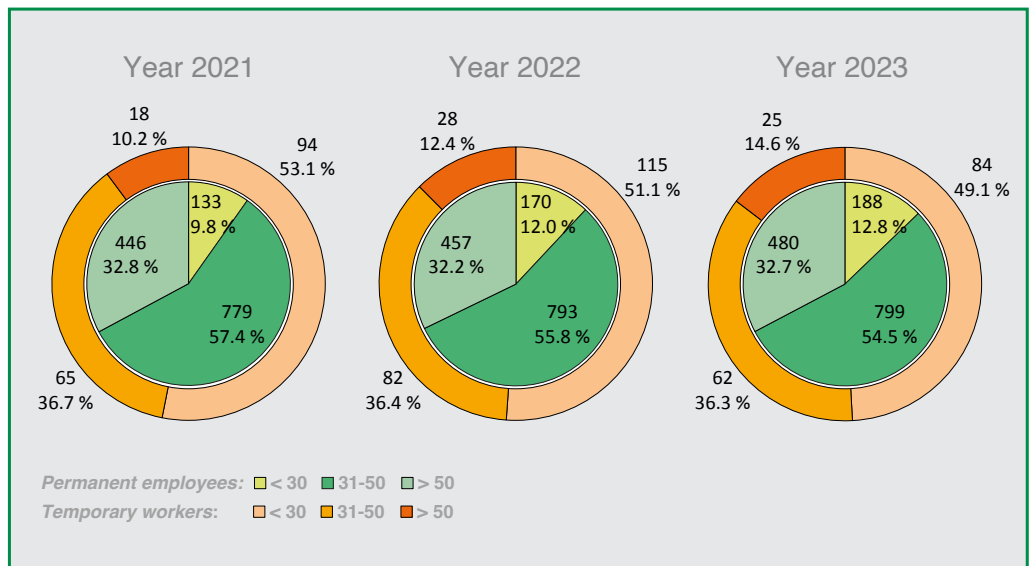
## Personnel by gender



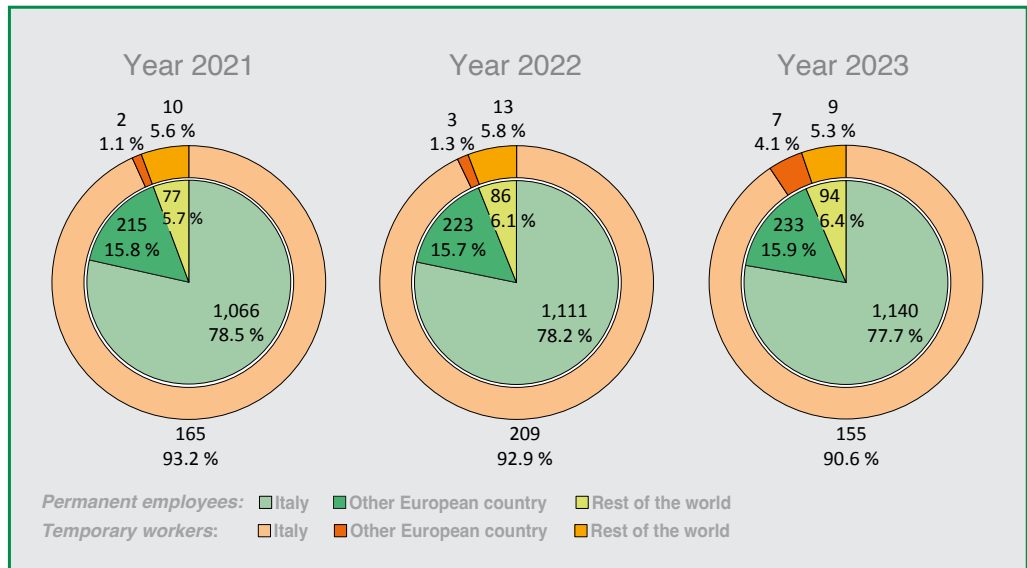
## Personnel by working hours



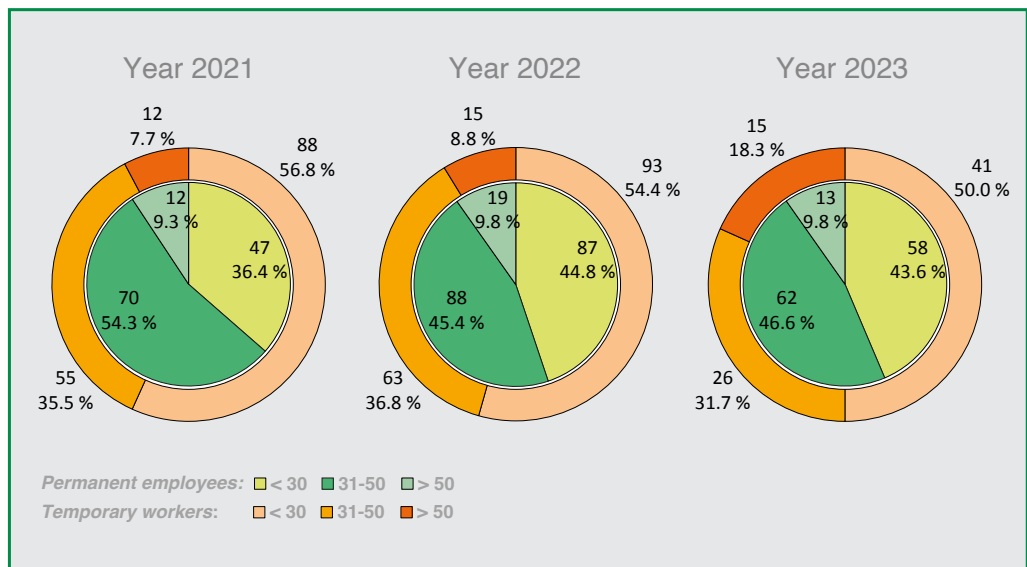
## Personnel by age group



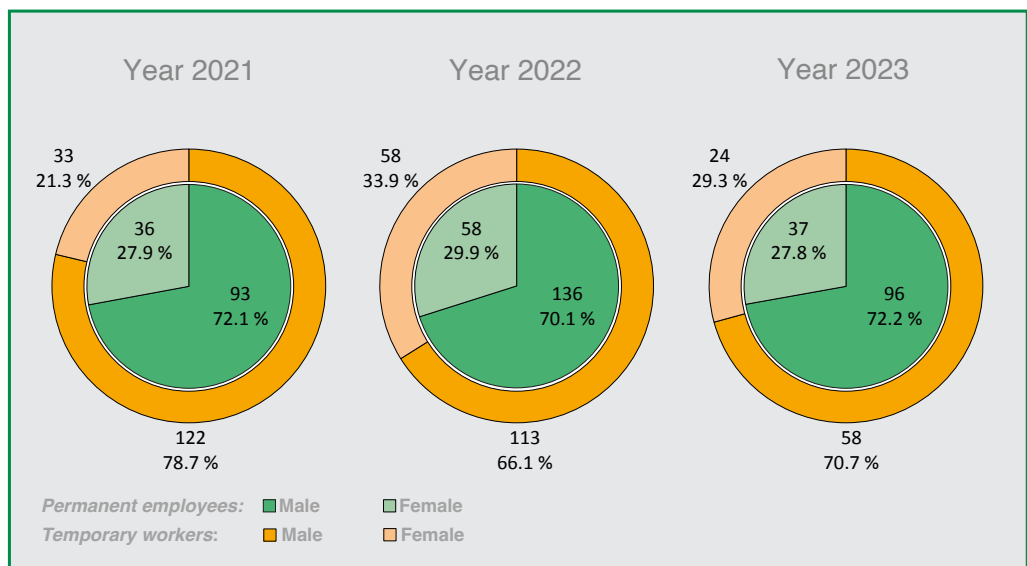
## Personnel by geographical region



## New hires by age group

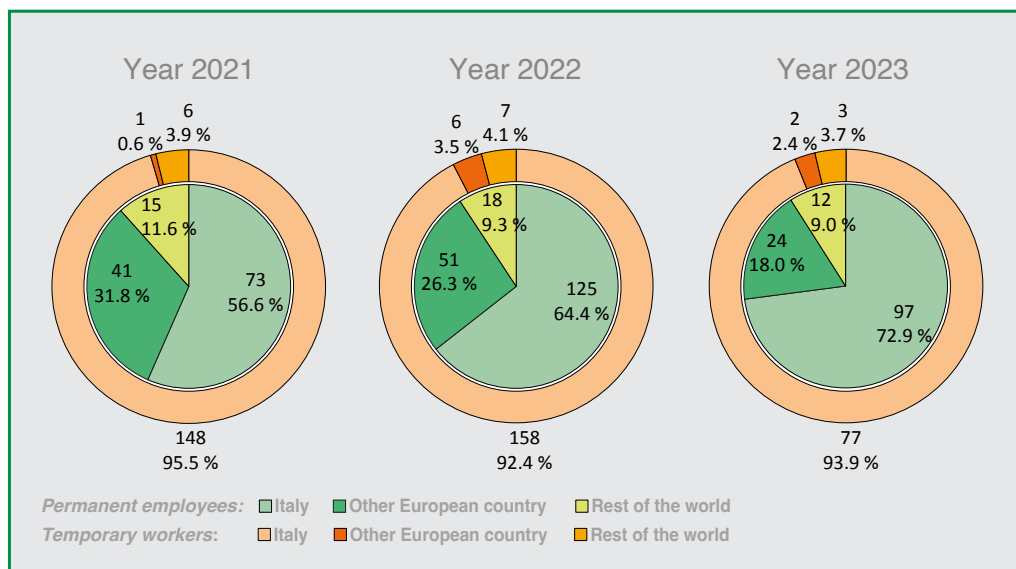


## New hires by gender





## New hires by geographical region



The above division of *personnel* by contractual category is affected by the prevalence of resources working in manufacturing activities, typical of the companies in our sector. Historically and due to the type of activity performed (“metal engineering”), our sector is characterised by mainly male employees. The type of activities performed, linked to the technical production processes, require mainly mechanical professional skills. The prevalence of male *personnel* is linked above all to the fact that the number of female graduates and school leavers in *STEM* subjects is very low. The *group* in any case pays attention to pursuing gender equality policies.

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

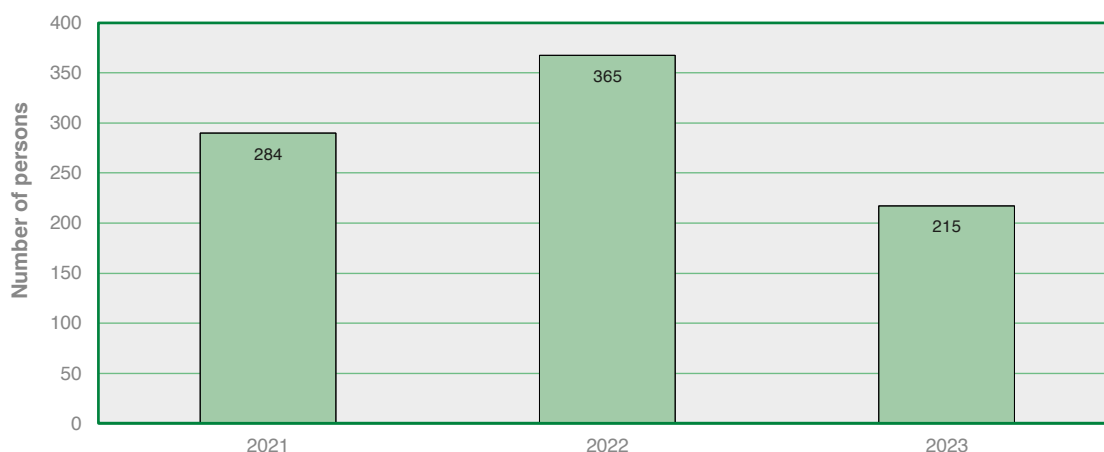
The division by age group has remained practically constant in the three years observed.

As regards new hires, many of these are young *personnel*, aged up to 30 years. The *organisation* is aware of the fact that innovation and new technologies are a strategic pillar for growth and that young people can make an important contribution to defining the future. The value of the experience of older age groups should not be forgotten, and the new hires in these groups, while fewer in relative terms, are in any case significant.

Aggregated by gender, the data on new hires must in any case be read in the light of the considerations made above in relation to the composition of the total population.

The total new *personnel* is given below.

### New hires



### Personnel turnover

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



	2021	2022	2023
<b>Turnover Rate</b>	4.3 %	4.6 %	3.5 %

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 2023. Low *turnover* levels are a sign of a high level of people's fondness of their work, the companies and the values of the *group*.



## 2. Employee well-being

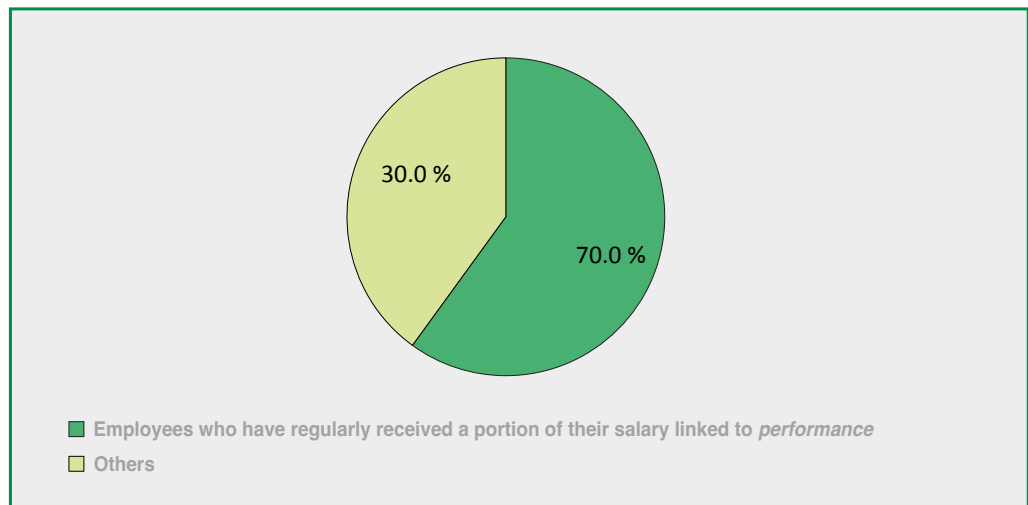


### Salaries

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 policies are currently being harmonised through the introduction of specific *company reward policies* already applied by the *parent company*.

### Salary linked to performance



In 2023, 70 % 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, agreed with the social partners, called: "Premio di Risultato" ("*Performance Bonus*"), which over the years has developed, including method 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. Also in 2023, 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.

### 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*.

## **We support our employees' important events**

Feeling part of the *group*, like in a family, means being able to count on its support. Making this a tangible principle in some companies of the *group*, some economic initiatives in goods and services, of a significant amount that indeed has recently been increased, have been implemented on the *company welfare* platform:

- for weddings or civil unions;
- for the 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**

The *group* is aware of the importance of its *personnel's* health. In many of the companies:

- the contractual health plans have been improved, in terms of both coverage and recognised values;
- a series of specific supplementary health plans in addition to those provided by law or contract have been foreseen for employees and their families;
- all *personnel* are entitled to paid leave in addition to that provided for contractually: this covers leave for medical examinations, check-ups and treatments, as well as other similar cases;
- for special categories of employees, supplementary insurance cover is taken out against accidents, in addition to the statutory cover.

## **We value loyalty**

The *group* gives great importance to *personnel* loyalty.

Some companies offer rewards for this purpose. For example, the *parent company* continues to run a historical initiative of a watch with a special dedication to employees when they reach 20 years of service, and subsequently, a significant bonus in the form of goods and services 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 2021-2023, the percentage of *personnel* who left the *group* within twelve months following the end of parental leave was less than 0.5 %.

	2023	2022	2021
Number of people taking parental leave	35	32	39
Number of people returning to work after taking parental leave	31	32	33
Number of people still in work 12 months following the end of the parental leave	25	25	31



### 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 ISO 45001:2018*, even though they are not certified. Today two companies in the *group*, *Cristina* and *Altecnic Ltd.*, have achieved the result of having their safety management system certified according to the above-mentioned standard. Other companies have set the same target for the near future. Therefore, we can state that, for all Italian companies, as well as 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 who, at various levels, are 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.

	2023	2022	2021
Fatalities	0	0	0
Injuries with return to work after at least 40 days	1	1	2
Injuries with return to work in less than 40 days	17	17	8

	2023	2022	2021
Working days lost for injury	237	189	253

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 the work-related injuries recorded relate to manual operations leading to minor accidents; despite the fact that these were more frequent than in the past, the increase is not the result of a lower attention to occupational health and safety issues.

Even though the number of work-related injuries and days lost is higher than in the past, in fact these are the sum of less significant minor events.

However, we feel that the must continuously increase our efforts to constantly reduce the number of injuries and related absences.

The relative indices consequently show what explained, with accident trends on the increase.

The following 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 *permanent employees* and *temporary employees*: both on temporary contracts and interns.

Incidence index: no. of work-related injuries / no. of workers x 10<sup>3</sup>

Severity index: no. of days of absence due to injury / no. of annual hours worked x 10<sup>3</sup>

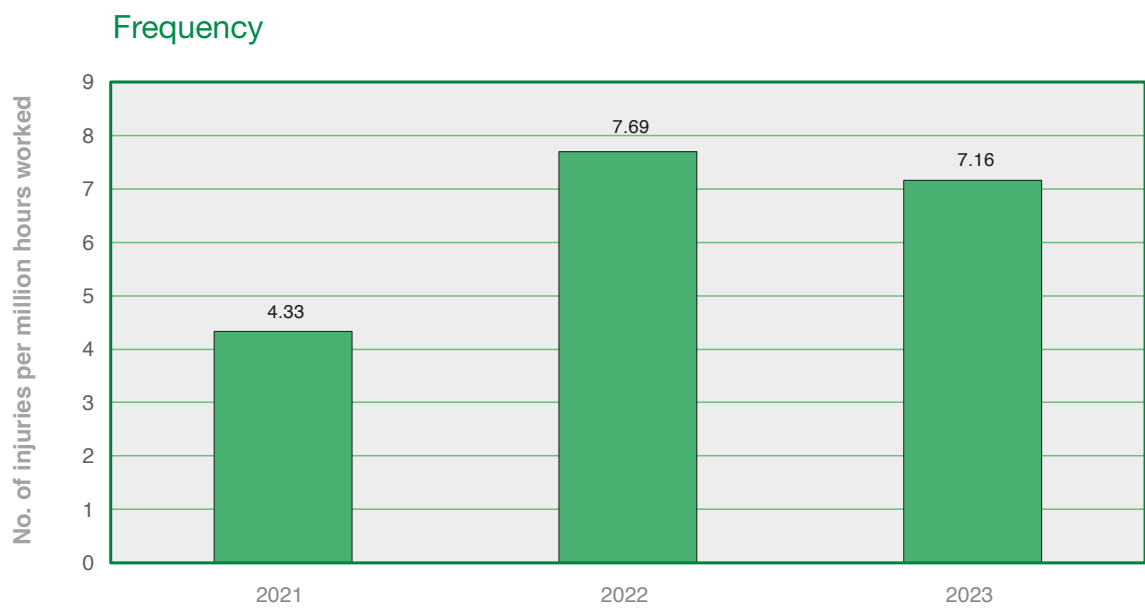
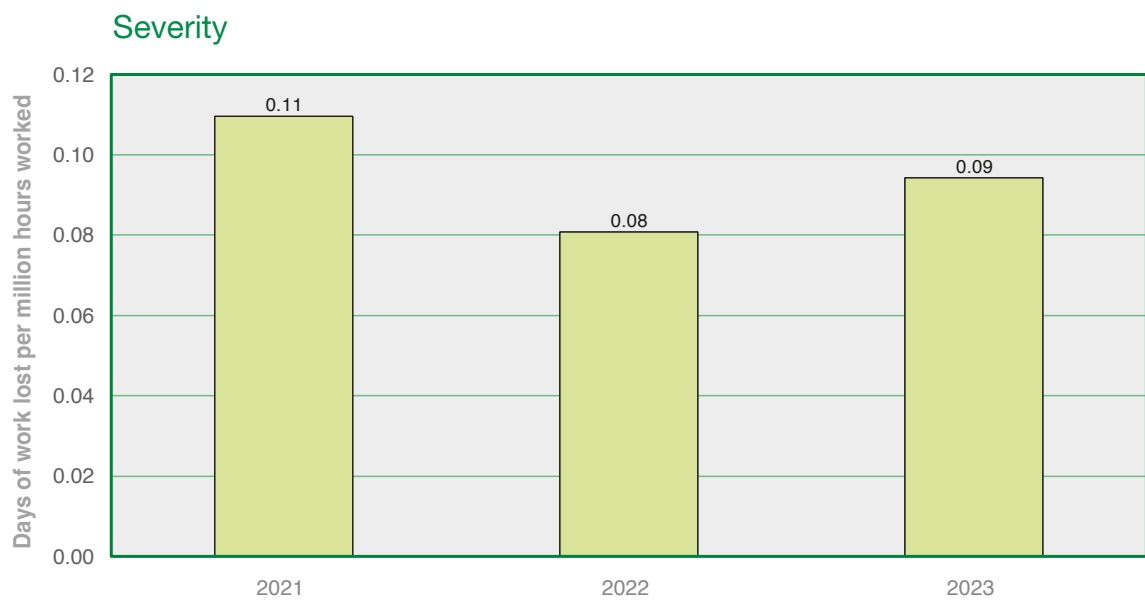
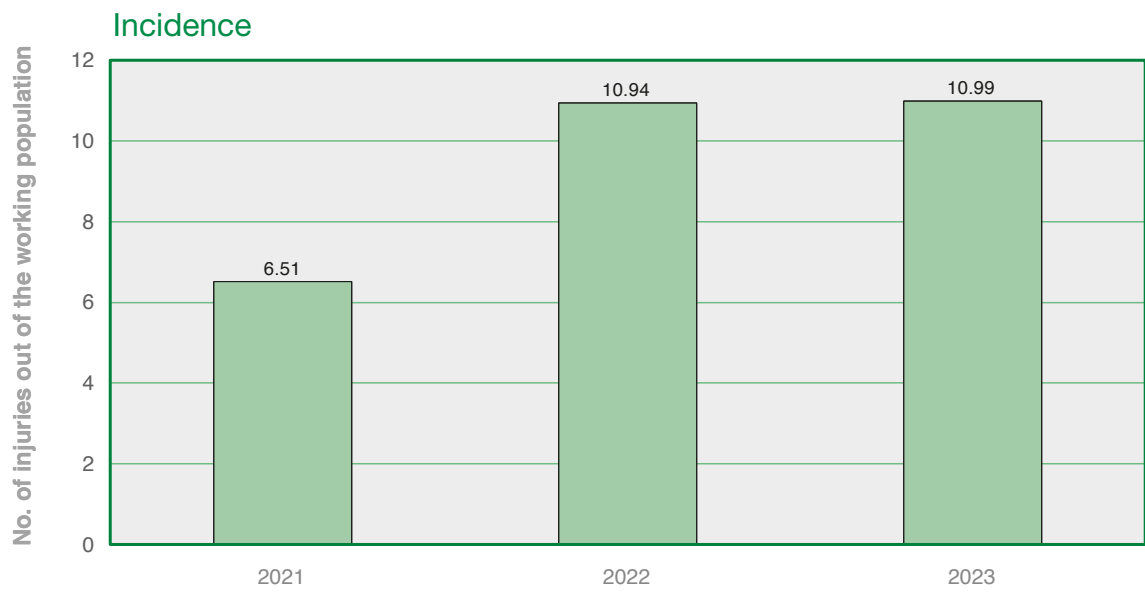
Frequency index: no. of work-related injuries / no. of annual hours worked x 10<sup>6</sup>

The incidence index, which relates the number of incidents occurring to the number of workers, as explained, shows that the phenomenon is on the increase, and has substantially stabilised in the last two years.

However, 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 not actually so frequent or severe.

From these data we can in fact see that the probability of having an injury is very low, and with extremely low severity, 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 increasing attention by all *personnel* in reporting incorrect situations 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.

	2023	2022	2021
Near-Misses reported	40	28	22

Some work-related ill health was recorded in the *group*, but, when related to the size of the company population, this refers to a very minor phenomenon.

	2023	2022	2021
Work-related ill health	0	2	4
Annual hours of work	2,513,967	2,339,183	2,308,496

It is therefore clear from the indicated numbers that the incidence of effectively recognised work-related ill health is negligible.

All workers 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 also guaranteed the possibility to contact health *personnel* in charge of assessing their health conditions in relation to various work activities. The health *personnel* 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.



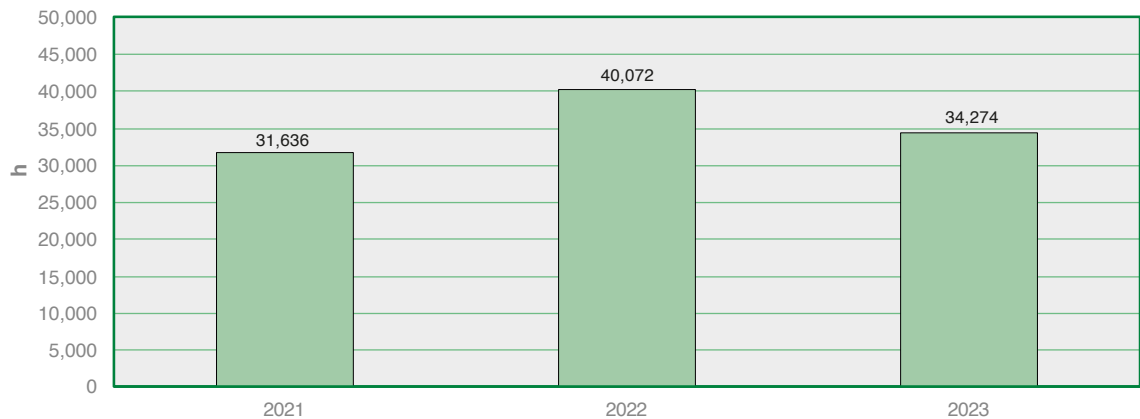
## 4. Personnel development, training and education



Aware of the strategic importance of its collaborators, the *organisation* engages them in training initiatives, which are planned and designed annually, aiming to maintain and improve the knowledge and skills required, in relation to which, for the majority of the *personnel*, there is a structured, agreed internal management system.

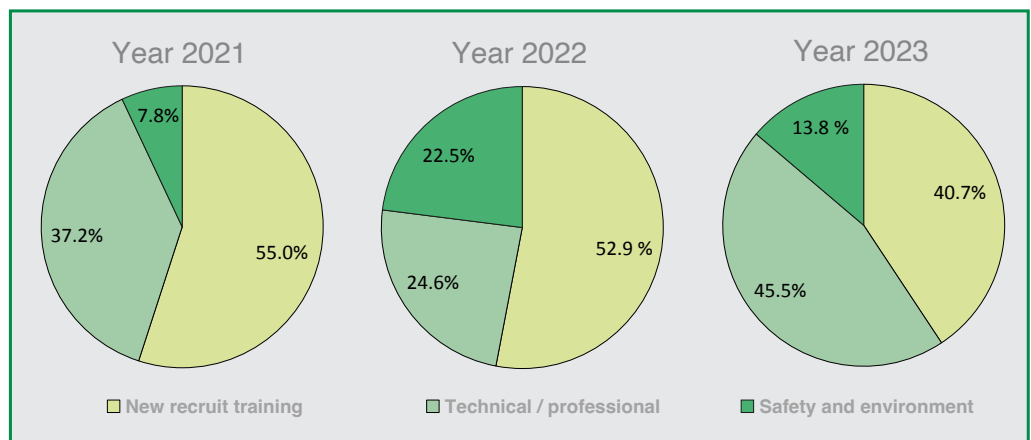
The training process begins when joining the *organisation*, in onboarding training.

### Training used



In 2022 the total number of hours of training increased significantly due to the provision, in some Italian companies in the *group* and in a single session, of multiannual periodic safety training.

### Training by topic

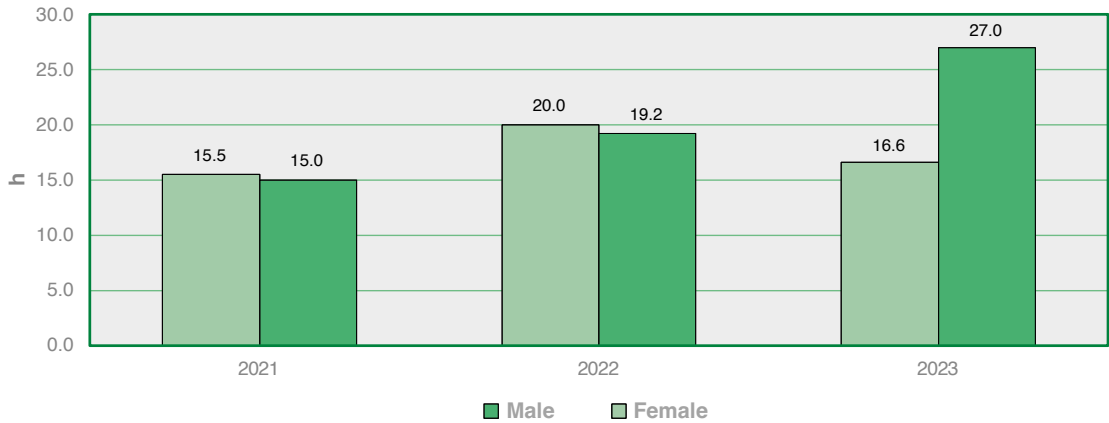


The hours of technical and scientific training have increased significantly in the last year, aiming to enhance the knowledge and skill of the *personnel* working in technical and production fields.

### 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



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

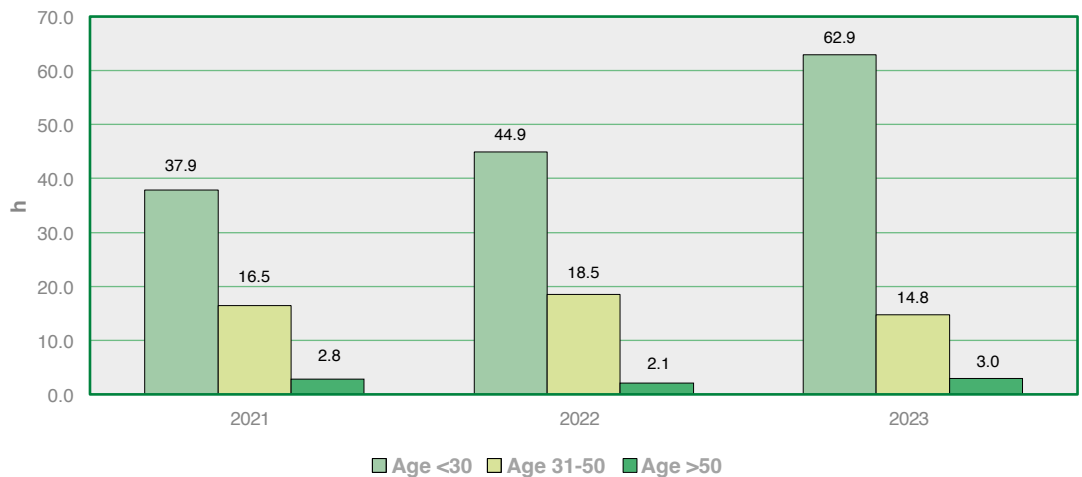
#### Average annual hours of training for *temporary workers* by gender



### Training by age

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

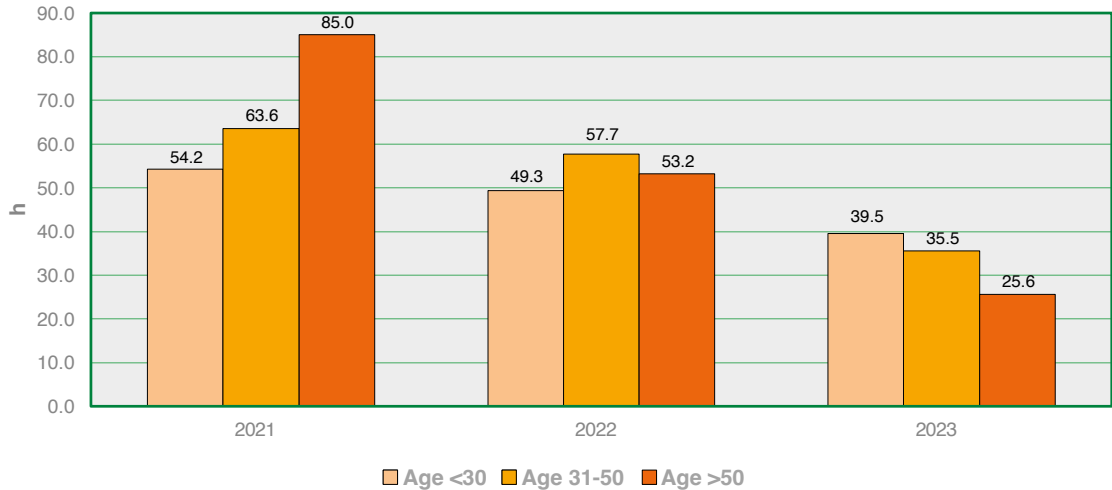
#### Average annual hours of training for *permanent employees* by age group



Once again the data confirm the *organisation's* desire to invest in young people also through training, without forgetting the older age groups.

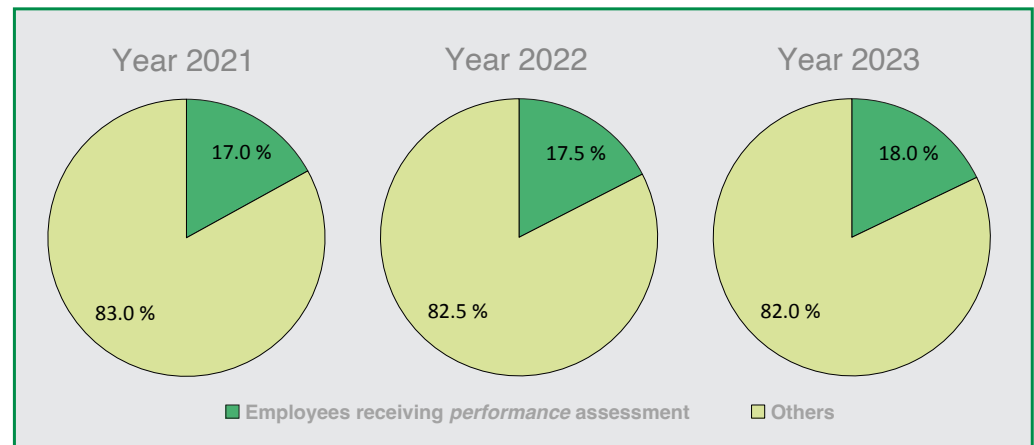
The average annual hours of training delivered to *temporary workers* by age group are given below.

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



The graph shows a significant number of hours of cyclical training delivered in 2021, referred mainly to occupational health and safety issues and refresher courses, as required by the reference standard.

### Performance assessment



The organisation's policy is to use, where possible, tools aiming to reward individual *performance (MBO)*. The graph also positively shows the gradual increase in the use of 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 shared 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.



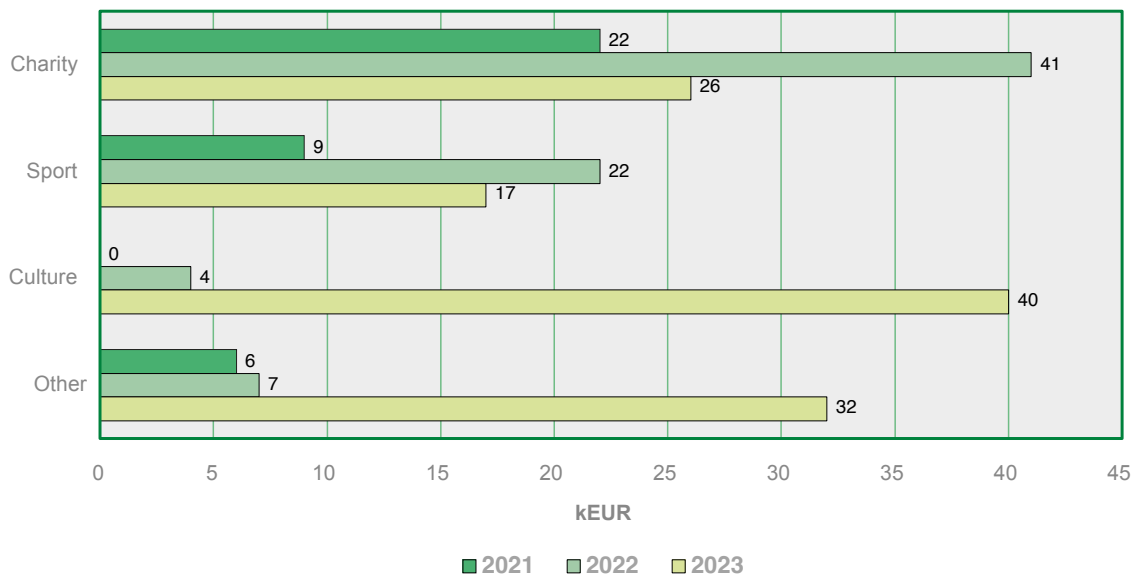
## 6. Impacts on the local community



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 therefore 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



In the three-year period 2021-2023 the *group* devolved most of its donations to charity.

Attention to the local community also passes through *Caleffi's* support to humanitarian associations, not only through donations but also the active involvement of some local social cooperatives: by outsourcing some assembly activities, the company includes, occupies and motivates disabled people in the cooperatives.

In 2021 *Cristina* purchased and donated software for CT scan equipment worth 80 kEUR to the S.S.Trinità Hospital in Borgomanero (NO).

Among the activities for education, in 2022 145 personal computers no longer used by the *organisation* were donated to local schools.

In 2021, when a new mechatronics, automation and robotics programme was launched, aiming to create a bridge between schools and work. The *group* also donated a computerised numerically controlled machine and some other equipment worth a total of 30 kEUR to the OMAR Industrial Technical School in Oleggio (NO).

In the three years, other donations were made to local organisations and associations working to improve the living conditions of the weaker segments of society; one concrete example of this is the support *Caleffi* provided to the “Casa della Carità” (“House of Charity”), run by the Associazione Mamre, through the modernisation and retrofit of the home’s heating systems. The “Casa della Carità” welcomes homeless, hungry and lonely people in difficulty. In 2022 the company *RDZ* funded the “Progetti del Cuore società benefit srl”. Outside the local area, worthy of mention is the annual funding by *Caleffi* of the association ANLAIDS Milano, for the event “AIDS Running in Musica”.

In relation to the branches, other highly ethical projects have been supported 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, on the other hand, it has organised a fund-raising event in Italy involving employees, customers and installers in a bike race.

*Caleffi North America Inc.*, in Milwaukee, USA, set up an in-house project entitled *Caleffi Cares*, which runs many activities aiming to improve the condition of sick children (with the Ronald McDonalds Foundation), veterans, the families of employees, etc.

*Caleffi Hidrotermika d.o.o.*, in Ljubljana, Slovenia, sponsors billboards raising awareness on the issue of global warming and the exhaustion of the planet’s resources.

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



## Relations with schools

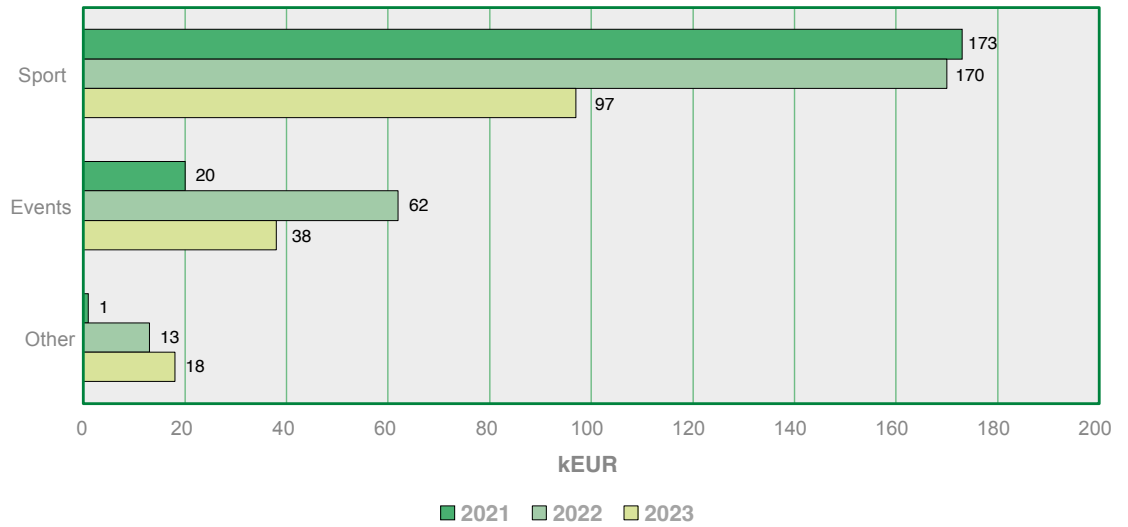
The *group* has always supported the local communities. Our companies stand out for their close ties with the surrounding areas, supporting schools through partnerships, initiatives and donations of materials and funding. As regards schools, we believe that training, innovation and new technologies are a strategic pillar for growth. Some of the main initiatives run by the *parent company* and other Italian companies include:

- *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 launched 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".

## Sponsorships



Sponsorships concerned mainly sports activities in the *parent company's* local area. In 2023 the sponsorship budget was reduced due to specific current needs, including the reallocation of the marketing budget to other activities.

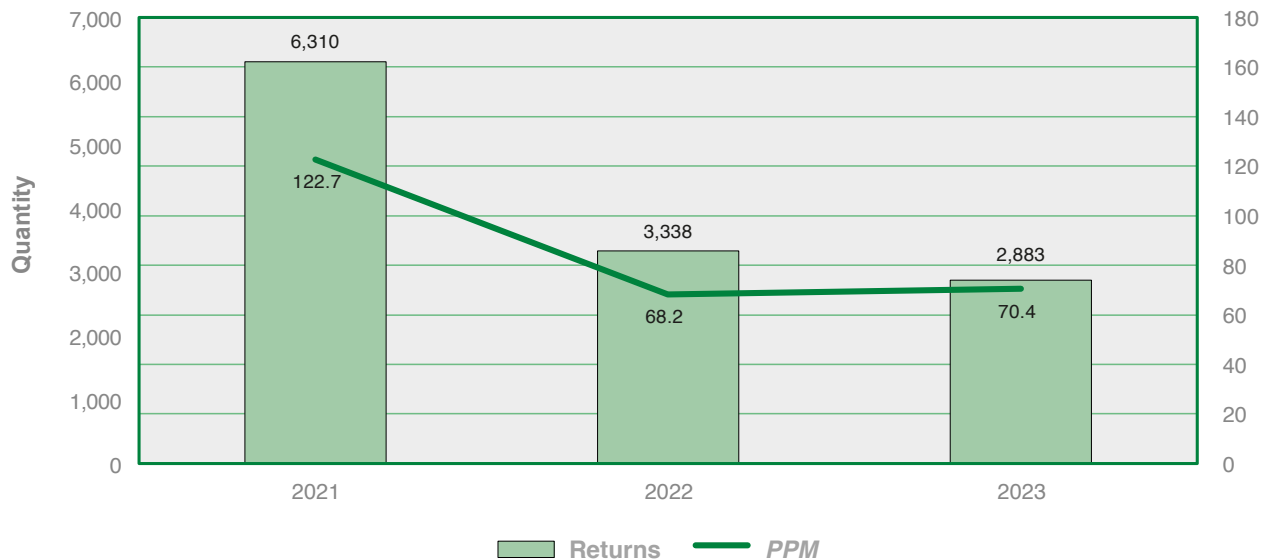


## 7. Customer satisfaction



*Customer satisfaction* and an attentive, accurate level of service have always been 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 country. *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 & 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 participating entities. For this reason, in drafting the 2023 Sustainability Report only the data relating to *Caleffi* are given.



## 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

On the existing *Caleffi* buildings in Italy and Portugal and on those being built in Italy, the United Kingdom and the United States, as part of the investment policy decided by the *parent company*, photovoltaic panels have been installed to achieve energy autonomy in non-production branches, with a partial compensation of the energy consumptions for the Italian production sites (around 15 % in *Caleffi 3* in Gattico-Veruno) in the first few months of 2024.

In order to reduce electricity consumption, in 2024 we will continue to replace the lighting systems using conventional bulbs with LED bulbs in the production sites, which are those with the highest impact. Moreover, at the *parent company* site, the activities to reuse the heat produced in the compressor room to heat the work spaces have been completed.

Focusing on production, in 2023 *Caleffi* began to certify its products according to the *carbon footprint* standard, in order to obtain the *EPD (Environment Product Declaration)*. This will allow us to assess the environmental impacts of our processes and products. By July 2024 it will have obtained *EPD* certification for some product series, and will then proceed with the other series in the following six months.

In relation to *personnel*, in 2024 the process will also begin for ISO 45001 Occupational Health and Safety certification.

In the *Pressco* production plant, which hot-moulds brass, in 2023 the upgrade of the flue gas filtering system was completed, aiming to maintain top *performance* and further reduce the pollutant emissions into the atmosphere, already reduced to 1/3 of the maximum value permitted by the laws in force.

In order to further improve product quality levels, the Quality Management System was implemented with ISO9001 certification, which concluded in 2023, with the issue of the certification on 2 February 2024.

Furthermore, the quality control processes already adopted by the *parent company* will be extended to the *Caleffi North America Inc.* and *Altecnic Ltd* branches.

The reorganisation process underway in the production sites of *Cristina* continues with the completion of the new galvanic treatment plant, in operation from April 2024.

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*, 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 2023 *Caleffi* began to cooperate with Worldrise, an *NGO* that works to protect the marine environment and the territory. Some already planned activities will be implemented in 2024, including the green days involving the *personnel* and the marine reforestation of some protected areas along the Italian coasts. Aiming to intensify our ties with the local communities we work in, we asked all the companies in the *group* to consider implementing similar initiatives in cooperation with organisations in the areas in which they operate.

Photovoltaic panels will also be installed in the branches *Caleffi North America Inc.*, *Caleffi Componentes Hidrotermicos Lda.* and *Altecnic Ltd.* with an estimated overall annual production of around 350 Mwh; all plants should begin operation in 2024. A further increase with an estimated annual production of 44.5 MWh will be completed in the two-year period 2025/2026 at *Caleffi Componentes Hidrotermicos Lda.* (Portuguese site).

We are planning to plant 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.



## 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 a two-way advantage: 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 aim of the *parent company* is to extend the use of the same questionnaire to other companies later in the year.

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 construction of a new canteen, new changing rooms and new office spaces.

# STATEMENT OF USE, GRI CONTENTS INDEX AND NOTIFICATION TO GRI



<b>GRI 2: GENERAL DISCLOSURES (2021)</b>	
<b>GRI indicator</b>	
<b>Statement of use</b>	<i>Caleffi Group</i> has presented a Report with reference to the <i>GRI St</i>
<b>GRI 1 used</b>	GRI 1 – Foundation – version 2022
<b>The <i>organisation</i> and its reporting practices</b>	
GRI 2-1	Organisational details
GRI 2-2	Entities included in the <i>organisation's</i> sustainability reporting
GRI 2-3	Reporting period, frequency and contact point
GRI 2-4	<i>Restatements</i> of information
GRI 2-5	External assurance
<b>Activities and workers</b>	
GRI 2-7	Employees
GRI 2-8	Workers who are not employees
<b>Governance</b>	
GRI 2-9	Governance structure and composition
GRI 2-10	Nomination and selection of the highest governance body





Paragraph	Page
<i>standards</i> for the period from 1 January 2023 to 31 December 2023	
Reporting principles	8-11
Details of the <i>organisation</i>	15-16
Entities included	17
Reporting period and frequency; methodological note and contact point	18 111
<i>Restatements</i> of information	18
External assurance	18
Employment	69-71
Employment	69-71
Governance	23-24
<i>The organisation</i>	23-24

<b>GRI 2: GENERAL DISCLOSURES (2021)</b>	
<b>GRI indicator</b>	
<b>Strategy, policies and practices</b>	
<b>GRI 2-23</b>	Policy commitments
<b>GRI 2-24</b>	Embedding policy commitments
<b>GRI 2-26</b>	Mechanisms for seeking advice and raising concerns
<b>GRI 2-27</b>	Compliance with laws and regulations
<b>GRI 2-28</b>	Membership associations
<b>Stakeholder engagement</b>	
<b>GRI 2-29</b>	Approach to <i>stakeholder</i> engagement
<b>GRI 2-30</b>	<i>Collective bargaining agreements</i>

<b>SPECIFIC STANDARD DISCLOSURE</b>	
<b>GRI indicator</b>	
<b>GRI 3 – Material Topics (2021)</b>	
<b>GRI 3-1</b>	Process to determine material topics
<b>GRI 3-2</b>	List of material topics
<b>GRI 3 – Material Topics (2021)</b>	
<b>GRI 3-3</b>	Management of material topics
<b>GRI 201 - Economic performance 2016</b>	
<b>GRI 201-1</b>	Direct economic value generated and distributed
<b>GRI 201-2</b>	Financial implications and other risks and opportunities due to climate change
<b>GRI 201-3</b>	Defined <i>benefit</i> plan obligations and other retirement plans
<b>GRI 201-4</b>	Financial assistance received from government

Paragraph	Page
Strategy, policies and practices	22
Strategy, policies and practices	22
Strategy, policies and practices; Ethics	22 53
Strategy, policies and practices; <i>Organisational Model and Code of Ethics</i>	22 25
Strategy, policies and practices	22
<i>Stakeholders</i> and communication channels	30-31
Employment	68

Paragraph	Page
Procedure to determine material topics	32-33
List of material topics	32-37
List of material topics	32-37
Direct economic value generated, distributed and not distributed	38-39
Financial implications and other risks and opportunities due to climate change	44
<i>Defined benefit plans</i> and other retirement plans	44-45
Financial assistance received	46-47

<b>SPECIFIC STANDARD DISCLOSURE</b>	
<b>GRI indicator</b>	
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 203 - Indirect economic impacts 2016</b>	
GRI 203-1	Infrastructure investments and services supported
GRI 203-2	Significant indirect economic impacts
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 204 – Procurement practices 2016</b>	
GRI 204-1	Proportion of spending on local suppliers
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 205 – Anti-corruption 2016</b>	
GRI 205-1	Operations assessed for risks related to corruption
GRI 205-2	Communication and training about anti-corruption policies and procedures
GRI 205-3	Confirmed incidents of corruption and actions taken
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 207 – Taxes 2019</b>	
GRI 207-1	Approach to tax
GRI 207-2	Tax governance, control, and risk management
GRI 207-3	<i>Stakeholder</i> engagement and management of concerns related to tax
GRI 207-4	Country-by-country reporting

Paragraph	Page
List of material topics	32-37
Investments	13
<i>European Green Deal - Circular Economy Action Plan</i>	48-49
List of material topics	32-37
Supplier management	50-51
List of material topics	32-37
Anti-corruption; Ethics	25 53
Ethics	53
Ethics	53
List of material topics	32-37
Taxes	40-41
Taxes	40-41
Taxes	40-41
Taxes	42-43

<b>SPECIFIC STANDARD DISCLOSURE</b>	
<b>GRI indicator</b>	
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 301 – Materials 2016</b>	
GRI 301-1	Materials used by weight or volume
GRI 301-2	Recycled input materials used
GRI 301-3	Reclaimed products and their packaging materials
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 302 – Energy 2016</b>	
GRI 302-1	Energy consumption within the <i>organisation</i>
GRI 302-3	Energy intensity
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 303 – Water and effluents 2018</b>	
GRI 303-1	Interactions with water as a shared resource
GRI 303-2	Management of water discharge-related impacts
GRI 303-3	Water withdrawal
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 305 – Emissions 2016</b>	
GRI 305-1	Direct (Scope 1) greenhouse gas ( <i>GHG</i> ) emissions
GRI 305-2	Energy indirect (Scope 2) greenhouse gas ( <i>GHG</i> ) emissions
GRI 305-4	<i>GHG</i> emissions intensity

<b>Paragraph</b>	<b>Page</b>
List of material topics	32-37
Raw materials	54-55
Raw materials	54-55
Raw materials	54-55
List of material topics	32-37
Energy	56-59
Energy	59
List of material topics	32-37
Water and water discharge	60-61
Water and water discharge	60-61
Water and water discharge	60-61
List of material topics	32-37
Emissions	62-63
Emissions	63-64
Emissions	62-64

<b>SPECIFIC STANDARD DISCLOSURE</b>	
<b>GRI indicator</b>	
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 306 – Waste 2020</b>	
GRI 306-1	Waste generation and significant waste-related impacts
GRI 306-2	Management of significant waste-related impacts
GRI 306-3	Waste generated
GRI 306-4	Waste diverted from disposal
GRI 306-5	Waste directed to disposal
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 308 – Supplier environmental assessment 2016</b>	
GRI 308-1	New suppliers that were screened using environmental criteria
GRI 308-2	Negative environmental impacts in the <i>supply chain</i> and actions taken
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 401 – Employment 2016</b>	
GRI 401-1	New employee hires and employee <i>turnover</i>
GRI 401-2	Benefits provided to <i>full-time</i> employees that are not provided to temporary or <i>part-time</i> employees
GRI 401-3	Parental leave



<b>Paragraph</b>	<b>Page</b>
List of material topics	32-37
Waste	64-65
Waste	64-65
Waste	64-67
Waste	65-67
Waste	66
List of material topics	32-37
Supplier management	51
Supplier management	51
List of material topics	32-37
Employment	71-73
Employment	74
Employment	75

<b>SPECIFIC STANDARD DISCLOSURE</b>	
<b>GRI indicator</b>	
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 403 – Occupational health and safety 2018</b>	
GRI 403-1	Occupational health and safety management system
GRI 403-2	Hazard identification, risk assessment and incident investigation
GRI 403-3	Occupational health services
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety
GRI 403-5	Worker training on occupational health and safety
GRI 403-6	Promotion of worker health
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
GRI 403-8	Workers covered by an occupational health and safety management system
GRI 403-9	Work-related injuries
GRI 403-10	Work-related ill health
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 404 – Training and education 2016</b>	
GRI 404-1	Average hours of training per year per employee
GRI 404-2	Programs for upgrading employee skills and transition assistance programs
GRI 404-3	Percentage of employees receiving regular <i>performance</i> and career development reviews

Paragraph	Page
List of material topics	32-37
Occupational health and safety	76-79
Occupational health and safety	76-79
Occupational health and safety	76-79
Occupational health and safety	76-79
Occupational health and safety; <i>Personnel</i> development, training and education	76 80
Occupational health and safety	76-79
Occupational health and safety	76-79
Occupational health and safety	76
Occupational health and safety	77-78
Occupational health and safety	79
List of material topics	32-37
<i>Personnel</i> development, training and education	80-82
<i>Personnel</i> development, training and education	80-82
<i>Personnel</i> development, training and education	82

<b>SPECIFIC STANDARD DISCLOSURE</b>	
<b>GRI indicator</b>	
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 405 – Diversity and equal opportunities 2016</b>	
GRI 405-1	Diversity of governance bodies and employees
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 406 - Non-discrimination 2016</b>	
GRI 406-1	Incidents of discrimination and corrective actions taken
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 413 - Local communities 2016</b>	
GRI 413-1	Operations with local community engagement, impact assessments, and development programs
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 414 - Supplier social assessment 2016</b>	
GRI 414-1	New suppliers that were screened using social criteria
GRI 414-2	Negative social impacts in the <i>supply chain</i> and actions taken
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 416 – Customer health and safety 2016</b>	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
<b>GRI 3 – Material Topics (2021)</b>	
GRI 3-3	Management of material topics
<b>GRI 418- Customer <i>privacy</i> 2016</b>	
GRI 418-1	Substantiated complaints concerning breaches of customer <i>privacy</i> and losses of customer data

Paragraph	Page
List of material topics	32-37
The <i>organisation</i> ; Employment; Protection of diversity and equal opportunities and non-discrimination	24 69-70-71 83
List of material topics	32-37
Protection of diversity and equal opportunities and non-discrimination	83
List of material topics	32-37
Impacts on the local community	84-87
List of material topics	32-37
Supplier management	52
Supplier management	52
List of material topics	32-37
<i>Customer satisfaction</i>	88
List of material topics	32-37
Protection of <i>privacy</i>	89



## 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<sub>2</sub> 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:** all the initiatives, benefits and plans implemented by the employer to improve the employees' working quality and quality of life.
- **Company welfare policy:** *Company welfare policy*.
- **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.
- **CUBOROSSO:** Caleffi S.p.A. research centre where product tests and research are performed for the development of new products.
- **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.
- **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.
- **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:** *European Green Deal*
- **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:** see definition of *GRI Standard*.
- **GRI Standards:** *GRI Standard* guidelines published by the Global Sustainability Standard Board (GSSB).
- **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. 152/06:** legislative decree containing the main rules governing environmental protection.
- **Italian Legislative Decree no. 231/01:** legislative decree governing the liability of entities for offence-related administrative crimes.
- **Italy's Best Employers:** study rewarding the best companies to work for according to employee evaluations.
- **Kitchen & Bath:** the domestic water hardware sector for kitchens and bathrooms.
- **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:** 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, Inverio (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<sub>2</sub> 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<sub>2</sub> emissions:** these include indirect emissions of greenhouse gases deriving from purchased or acquired energy (e.g., electricity).
- **Stakeholders:** 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*.
- **STEM:** Science, Technology, Engineering and Mathematics.
- **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.
- **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.
- **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.
- **Trattamento di Fine Rapporto - Employee Severance Pay:** in Italian legislation, this is payment made to the employee by the employer on termination of the contract of employment.
- **Turnover:** ratio of the *personnel* voluntarily leaving the *group* and the total number of *group personnel*.
- **UN:** United Nations.
- **UNI EN ISO 45001:2018:** technical standard that helps organisations to implement an occupational

## 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





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.

## 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 2023 and precisely from 1 January 2023 to 31 December 2023, 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* and subject to audits according to a defined audit plan. The data relating to 2022 and 2021, 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 2023 Sustainability Report was, for the first time, 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](mailto:info@caleffi.com)

The report is also available on the company website: [www.caleffi.com](http://www.caleffi.com)

# EXTERNAL ASSURANCE



Deloitte & Touche S.p.A.  
Galleria San Federico, 54  
10121 Torino  
Italia

Tel: +39 011 55971  
www.deloitte.it

## 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, 2023.

### 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

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo [www.deloitte.com/about](http://www.deloitte.com/about).

© Deloitte & Touche S.p.A.



## 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 paragraph "Economic performance" of 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., Pressco 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.

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, divisions and sites, Fontaneto d'Agogna (Novara) site and production plant for Caleffi S.p.A., Gozzano (Novara) site and production plant for Cristina S.r.l., Invorio (Novara) site and production plant for PRESSCO S.p.A., Sacile (Pordenone) site and production plant for 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, 2023, 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 8, 2024

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



