

2024 SUSTAINABILITY REPORT

COMMITMENT
TRANSPARENCY
FUTURE



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LETTER TO STAKEHOLDERS

GRI 2-22

Dear stakeholders,

We are living in a pivotal moment that imposes on companies ever higher levels of responsibility in connection with the environment, society and people. Within this context, Galletti S.p.A. - with over 100 years of history - aims to strengthen its strategy for sustainability in order consciously to address global challenges and actively contribute to the development of a more resilient and inclusive economy.

Our short-, medium- and long-term vision for managing impacts on the economy, the environment and people is based on a clear principle: efficiency is no longer just a competitive lever, but a duty to the system within which we operate. We are continuing to improve the energy efficiency of our solutions - fan coils, heat pumps and chillers - by reducing consumption and direct emissions. We are progressively introducing low-GWP refrigerants and expanding the offering of reversible solutions, integrated with intelligent control and remote management systems. Looking at the long term, the goal is to realise an industrial model that is fully regenerative, capable of drastically reducing climate impact and respecting human rights throughout the supply chain.

Our purpose, strategy and business model reflect a deep-seated desire: to design technologies that do not just 'do less harm', but rather, that generate positive value for people and the environment. Design, which we are devoting increasing investment to, represents the convergence of aesthetics, innovation and efficiency. Using certified materials, optimising product life cycles, reducing production waste and containing consumption during end use are now an integral part of our operating model. No less important is the central role played by people: we are strengthening mechanisms to prevent negative impacts on human rights, by promoting safe, inclusive working environments that respect the dignity of all employees and partners.

Our short- and medium-term strategic priorities, in order to make a tangible contribution to sustainable development, are shaped to align with the United Nation's Sustainable Development Goals, in particular SDG 7 (affordable and clean energy), SDG 9 (industry, innovation, technology and infrastructure), SDG 12 (responsible consumption and production) and SDG 13 (climate action). In the next three years, we aim to complete the transition to natural refrigerants such as R290, increase the average efficiency of the product portfolio by at least 20 per cent, initiate internal ESG training for all company levels, and strengthen due diligence on critical suppliers.

The global context in which we operate is marked by strong transformative pressures. Macroeconomic trends (energy transition, geopolitical crises, rising raw material costs), social

trends (ageing population, demand for sustainable comfort, increasing focus on equity, diversity and inclusion), regulatory trends (F-Gas, Corporate Sustainability Reporting Directive) and technological trends (digitisation and building automation) are all profoundly influencing our strategy. The company has chosen to approach these transitions as levers of innovation, anticipating the demands of the market and institutions, without waiting for them to become mandatory requirements.

During the year covered by this report, **we took important steps on our path towards sustainability, achieving tangible results both environmentally and organisationally.** We brought to market the new **PLP line with natural refrigerant R290**, designed to guarantee maximum efficiency even at low outside temperatures, and completed the modernisation of the **production lines** to enable the safe handling of flammable gases, in accordance with the highest standards of safety.

At the same time, we **launched a structured Scope 1 and 2 emission measurement plan**, as a first step towards a comprehensive inventory of our climate-altering emissions. Also in connection with the environment, we **implemented systems for recirculating and reusing water in chiller testing**, reducing the water impact of the production process, and **we issued the first two Environmental Product Declarations (EPD)** in accord with the ISO 14025 standard, confirming our commitment to environmental transparency.

On the organisational front, we **strengthened internal policies on occupational safety and well-being**, formalised a **Data Security Management Policy**, and drafted a **Disaster Recovery Plan** in order to increase operational resilience. Finally, we completed and approved our first **Sustainability Strategic Plan**; this will guide actions in the coming years in an integrated and systemic manner.

Looking ahead, our priorities are defined and challenging.

In the coming year, we are committed to:

- completing the conversion of production lines to the exclusive use of natural refrigerants;
- initiating the upgrading of the most energy-intensive facilities, replacing them with low-energy technologies;
- obtaining UNI/PdR 125:2022 certification on gender equality;
- developing a Company Carbon Footprint Study, including certification of Scope 1, 2 and 3 emissions, in accordance with UNI EN ISO 14064:2019 standard or the GHG Protocol;
- implementing LED relamping for industrial lighting;
- replacing existing boilers with high-efficiency heat pumps, with a view to decarbonising buildings;
- and finally, enlarging our solar photovoltaic park with the installation of an additional 600 kWp, which will be added to the 1,000 kWp already in operation. This investment - a 60% increase - will allow us to cover our full annual electricity needs, and represents a major step towards carbon neutrality.

We are convinced that sustainability is not an option, but a responsibility that we must assume every day, consistently and transparently. We thank all the people who work with and for Galletti for their constant commitment. We are driven to improve and build, together with you stakeholders, a fairer and more sustainable future, and we value open dialogue as the means to this end.

With kindest regards,

Michele Galletti

Chief Executive Officer

Galletti S.p.A.



METHODOLOGICAL NOTE

Scope of Reporting

GRI 2-1 | GRI 2-2 | GRI 2-3 | GRI 2-4

Company name	Galletti
Nature of the ownership	Private
Legal form	S.p.A. (joint-stock company)
Location of head office	Via Luciano Romagnoli, 12/a, 40010 Bentivoglio BO
Countries served	Italy, EU, Extra-EU

This document is the **first Sustainability Report of Galletti S.p.A.** (hereinafter also 'Galletti' and/or 'the company'). The information in this document has been collected and processed in order to ensure an understanding of the company's activities, performance, results and impact. The reporting boundary used in this document includes information on activities carried out during the year 2024, with data for the year 2023 also being reported where available, with reference to the Galletti S.p.A. plant located in Bentivoglio (BO), Italy.

The Sustainability Report has been drawn up on a voluntary basis and is a first document in preparation for the European CSRD (*Corporate Sustainability Reporting Directive*) of 2022. This Directive defines processes in the area of sustainability reporting and transparency, and requires companies to provide detailed information on environmental, social and governance (ESG) issues. The directive also expands the information to be reported in comparison with the previous NFRD (*Non Financial Reporting Directive*), introducing new obligations for greater transparency in relation to business practices. The analysis will be further developed and deepened in subsequent periods through reporting on the company's contribution to the achievement of the defined objectives.

The Sustainability Report is prepared annually and published on the official Galletti S.p.A. website.

For further information on the contents of this document, please contact the following e-mail address: info@galletti.it

The references used

The Sustainability Report was drawn up by selecting the indicators contained in the *GRI Sustainability Reporting Standards* published by the *Global Reporting Initiative* (GRI), in accord with the "Referenced" reporting option. The set of *GRI Standards* indicators used for reporting is specified in the *GRI Content Index* of this document.

For greater clarity of presentation and completeness of information, the *Reporting Package* section at the end of this document contains all the summary tables of the data discussed in the various chapters. This tool enables a concise and immediate consultation of the information presented, supporting transparency and traceability of content.

The general principles applied in preparing the Sustainability Report are those set out in the *GRI Standards*, namely: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability and clarity.

The performance indicators selected are those provided for in the reporting standards adopted, representative of the specific areas of sustainability analysed and consistent with the activity carried out by the company and the impacts it produces. These indicators were selected on the basis of an analysis of the relevance to society and the sector in question of the material issues, as described in the section "*Materiality Assessment*" in the chapter "*Towards Sustainability*".

This analysis, as part of the sustainability journey, involved Top Management, the Board, and the stakeholder groups deemed most relevant in an assessment of key issues and the subsequent assignment of a value based on two distinct dimensions: their importance and the priority for action from the company's perspective.

GALLETI AT A GLANCE - 2024

GOVERNANCE



1906
YEAR OF
ESTABLISHMENT



OVER €980,000
INVESTED IN R&D AND
TECHNOLOGICAL
INNOVATION



OVER 62 MILLION
EUROS
ECONOMIC VALUE
GENERATED AND
DISTRIBUTED



5 CERTIFICATIONS
ISO 9001:2015
ISO 45001:2018
ISO 14001:2015
EUROVENT CERTIFICATION
F-GAS CERTIFICATION

SOCIAL



232 EMPLOYEES
IN 2024

2% TURNOVER
OVERALL IN 2024



3,156
TRAINING HOURS

13.6 HOURS AVERAGE
TRAINING PER EMPLOYEE



OVER 50,000 EUROS
CHARITABLE GIFTS

ONGOING COLLABORATION WITH
2 DEPARTMENTS OF THE
UNIVERSITY OF BOLOGNA



94%
PERMANENTLY
EMPLOYED

ENVIRONMENT



944.3 kWp

TOTAL POWER OF
PHOTOVOLTAIC SYSTEMS

15,654 GJ
ENERGY CONSUMED IN
2024



837 tCO₂e

EMISSIONS (SCOPE 1 and 2)
GENERATED IN 2024

2 EPDs (*Environmental
Product Declarations*) for
product families (Acqvaria
and VLS)



84%

OF WASTE GENERATED
SENT TO RECYCLING

460.53 TONNES
OF WASTE PRODUCED
IN 2024

PROFILE AND IDENTITY

GRI 2-6

Who we are: over 100 years of history

"Galletti's history is a truly Italian story, made up of tradition and innovation rooted in the local area, but above all made up of people, who for generations have, with their tenacity, contributed to the success and growth of this company."



Galletti has been our family brand for three generations, born in Castel Maggiore, on the outskirts of Bologna, in a small factory for ironworking and the repair of agricultural tools and machinery. Our **story**, one full of challenges and successes but always linked to the land where we were born, **began more than a hundred years ago**. The partial destruction of the factory during the Second World War did not prevent our small workshop from developing into an enterprise that today can **count on over two hundred employees**.



Building on **over 60 years' experience in the design, manufacture and sale of comfort-focused air conditioning units**, we meet new market demands by ensuring the highest quality and reliability, always exploring new possibilities for innovation, technology and product design.

Today we are a **leading international family business in the HVAC** (Heating, Ventilation and Air Conditioning) sector, specialising in the **production of hydronic indoor units, chillers and heat pumps**. We are notable for our specific expertise in the field of comfort-focused air conditioning for the services and residential sectors. Today, we look to the future, committing ourselves to a **virtuous evolutionary path: adopting a new approach to design in our industry, the Advanced Design**.

It is a journey toward the development of technologically advanced solutions, offering high performance and extensive customisation, and aimed at reducing environmental impact. Each new solution is the result of collaboration between technical expertise, creativity, forward-looking vision and synergy with experts in different fields with the aim of anticipating trends in the HVAC sector.

Our decision to adopt **Advanced Design** methodologies stems from the **need to trigger a mechanism of continuous innovation** in a context of increasing complexity and strong acceleration in which we want to offer innovative solutions that are truly capable of meeting customer needs: **Indoor units, Chillers and Heat Pumps**, in their many variations. This is also made possible by a network of approved distributors and service centres, and support is guaranteed throughout the life of the product.

Our approach consists of the following characteristic elements:



Vision of the future

Designing with an eye toward possible future scenarios in the evolution of the sector—across systems solutions, technology, products, and services.



Systemic approach

We prefer the 'systemic' view to the strictly 'product' view and hold as a reference the concept of Circularity, in which the 'waste' of a process becomes new raw material. On our part, we give top priority to solutions that can recover the 'waste' heat of one part of the system by making it the 'raw material' of another.



Open Innovation

The project serves as a platform for engaging individuals and expertise from diverse disciplines — not only technological but also humanistic — capable of interacting and exchanging ideas to produce something original. We want the company's boundary to become increasingly permeable to outside influences.



Sustainability-oriented pathway

Resource constraints create a fresh perspective from the earliest stages of product development. The focus is on exploring different energy sources and how they might be integrated. On how the product can reduce the overall impact of the system of which it will become a part.

We have consolidated our growth by following a clear and shared vision. Over the course of more than a century in business, the four succeeding generations at the helm of the company have faced and overcome complex challenges, demonstrating an extraordinary **capacity for resilience and determination**, starting from scratch when circumstances demanded it.

That same determination has always guided the hundreds of people who, **from 1906 to the present day**, have worked with dedication and a sense of responsibility in the different areas of the company. It is thanks to their commitment that we have always stood out as a company made up of people who step up, act with transparency, and uphold integrity.

We have chosen to verticalise processes and keep key functions, such as Research & Development, Design and Production, in-house: this strategic decision has been a major factor in our steady and sustainable growth. Thanks to this approach, we now develop high value-added technology solutions marked by high standards of quality and performance.

While operating in an increasingly global context, we wanted to maintain a strong link with our local area, continuing to invest significantly in the community where we have our roots. Today, with an internationally recognised brand and a solid **Made in Italy** identity, we are a leading company globally in the field of comfort-focused air conditioning solutions.

Over the course of our existence, we have gained wide-ranging experience: we operated as subcontractors **until the 1950s**, closing this phase with a particularly significant experience in the motorbike industry as frame builders.

These experiences enabled us to develop strong expertise in sheet metal processing, laying the groundwork for a significant evolution of our industrial model and opening up new opportunities beyond our previous activities.

Starting in the **60s**, we made a firm decision to pursue a path in the comfort-focused air-conditioning sector, launching innovative own-brand solutions in what was then an emerging sector. This positioning led us to develop a line of hydronic indoor units, which is still one of the core elements of our business.

During the two decades between the 1980s and the early 2000s, we continued resolutely on our path of growth and evolution. During this period we entered into a **strategic partnership with a major Japanese company** specialising in air conditioning, we **moved to our current site in Bentivoglio** and we **celebrated the prestigious milestone of 100 years in business**. At the same time, we expanded

our technical expertise and enriched our portfolio by integrating new solutions such as chillers and heat pumps.

The growth of the Galletti company and the evolution of the market paved the way for the entry of other major companies, all Italian, who were able to offer a complete package of products and services. This was how the **Galletti Group** came into being in 2014, with the bringing together of several companies in the HVAC sector, each with a well-defined identity and specific skills that it contributes to the Group enabling it to present itself as a single partner.

In 2020 we completed the **development of an area dedicated entirely to Research and Development**, completely in-house and with the Made in Galletti hallmark. In 2021, we also implemented an environmental management system conforming to the UNI EN ISO 14001:2015 standard.

This path, based on continuous innovation, technological investment and strategic vision, has enabled us to build one of the most comprehensive and well-structured catalogues in the HVAC industry, strengthening and consolidating our leadership position both nationally and internationally.

Today **we set the standard in the HVAC sector**, combining high performance, energy efficiency and technological innovation with new solutions of sophisticated design and a strong commitment to ever greater environmental sustainability.

In these years, during the country's post-war rebirth, Galletti has its first encounter with the **refrigeration industry** by starting to produce ice trays.

The 1940s see the end of the Second World War. The landscape is one of destruction but with a strong desire to rebuild. Half of Galletti's buildings are reduced to rubble. **Fiorenzo and Luigi Galletti's determination to rebuild is strong.**

Galletti ceases being a subcontractor and enters the heating market with its own brand. Management falls to sons Fiorenzo and Luigi Galletti.

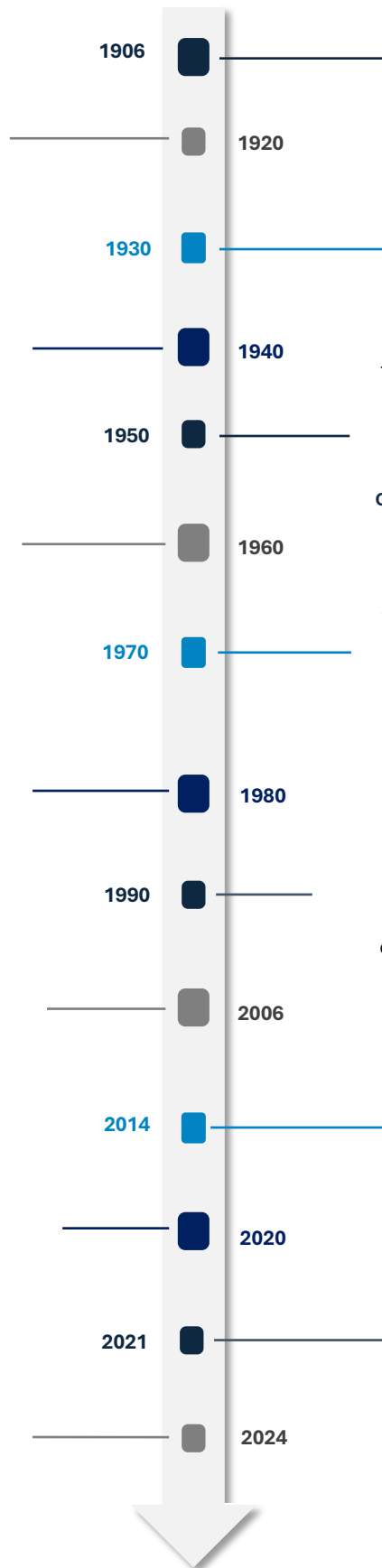
They have instant **success with the Jolly plate radiators** and the Condor and Falcon convectors.

The start of a **partnership with a major Japanese air-conditioning company.** Galletti becomes the exclusive distributor for Italy of domestic split air conditioners. In **1982** the company moves to its current **headquarters in Bentivoglio.**

The company reaches the milestone of its **100th birthday** and continues under the leadership of its Chairman, Luca Galletti, affirming its role as a market leader in hydronic terminals, chillers and heat pumps.

Inauguration of the **new climate chamber** for medium and high-power chillers and heat pumps, completing **an R&D area** that is among the most advanced in the industry, validating the strategic choice of continuous growth on highly complex solutions and systems.

Galletti redefines standards in the HVAC sector by combining performance, efficiency and advanced technology with aesthetics and a focus on environmental sustainability.



The dawn of **Galletti.** The founder is **Ugo Galletti** who, guided by his intuition, opens a small artisanal workshop in Castel Maggiore on the outskirts of Bologna, focusing on ironworking and the repair of farming tools and tractors.

Galletti is already a full-fledged enterprise. Its buildings expand to **an area of 5,000 square metres** and it has approximately one **hundred employees.**

The years of recovery, marked by prestigious orders from Ferrari, Lamborghini tractors, Ducati, Landini and Ferrovie dello Stato, the State Railways. These years see the beginning of an important interlude in which **Galletti would specialise in the production of motorbike frames.**

A new range of air-conditioning products. After the heating sector, **Galletti achieves great success in the air-conditioning market with its Polar Warm fan coil unit.**

In **1994** the company obtains the **Eurovent certification** for all its products. During these years, Galletti also begins to specialise in the production of chillers and heat pumps.

In **1996**, with the **opening of a plant** dedicated to the **production of finned pack heat exchangers**, the Galletti Group begins to take shape.

The Galletti Group brand officially comes into being; it consists of different entities working in synergy to offer a complete package of products and services in the HVACR sector.

Galletti obtains **Environmental Certification** in conformity with the UNI EN ISO 14001:2015 framework.

Vision, mission and values

Vision

Our goal is to become the benchmark company in the HVAC sector, one that is able to offer Advanced Design solutions oriented towards achieving maximum comfort through the complete interaction of people with their living environments.

Mission

We strive every day to redefine standards in the HVAC sector through a new approach of Open Innovation, working on new materials, shapes and functionalities to develop sustainable products and solutions, designed to anticipate future scenarios for the residential and service sectors.

The ultimate goal is to offer technology, design, advanced services and high customisation to generate value for our customers today and for future generations.

Our values

Our daily actions are based on a solid value system, which guides our strategic choices, steers our organisational behaviour and strengthens the bond with our stakeholders. These values represent the guiding principles of our commitment to a sustainable, inclusive and responsible growth model.

Reliability

We build relationships based on transparency, reliability and consistency. Trust underpins the way we operate, both within the organisation and in our relationships with customers, suppliers and partners.

Quality

We pursue excellence in every area: from internal processes to products and services. For us, quality is a shared goal and an ongoing commitment, which translates into value for all stakeholders.

Tenacity

We are used to rolling up our sleeves. Our history has taught us not to give up. We overcame periods of crisis, rebuilt the company destroyed in the post-war era, and proactively faced market upheavals.

Flexibility

A principle that goes far beyond simply offering predefined products or services. The constant search for customised answers, even when these involve the development of solutions not yet in the catalogue, is a cornerstone of our company. Carefully responding to customers' requests and challenges has always enabled us to turn individual needs into opportunities for innovation and mutual growth. This commitment to go beyond what has already been done ensures that the solutions offered are always relevant and in line with real market needs.

Transparency and compliance

We operate to the highest standards of ethics, compliance and integrity. We promote a culture of legality, transparency and accountability, ensuring full compliance with laws, regulations and company policies. We communicate in a clear, understandable and comprehensive manner, promoting a culture of accountability and constructive dialogue with all stakeholders.

Technology and responsible innovation

We innovate with responsibility. We believe in technology as a strategic lever to improve efficiency, develop cutting-edge solutions and respond to the environmental and social challenges of our time.

Humanity, health and well-being of people

We put people at the centre. We value talent, promote well-being and equity, and ensure an inclusive environment in which everyone can fulfil their potential with respect and dignity. We ensure healthy and safe working environments by focusing on prevention, training and individual empowerment.

Environmental and social responsibility

We are aware of our responsibility towards the environment. We work to reduce the impact of our activities by adopting socially and environmentally conscious practices and by contributing to the industry's ecological transition. We are committed to generating value for the communities in which we operate. We support social, cultural and educational initiatives with the aim of promoting equitable, participatory and sustainable development.

Galletti Group: our business model

The growth of the Galletti company, together with the evolution of the market, has favoured the entry of **further major companies**, all Italian, capable of contributing to a comprehensive portfolio of products and services. This synergy gave rise to **the Galletti Group**, an ecosystem in which each company retains its own distinctive identity and brings together specialist skills, helping to position the Group as a unique and well-qualified partner in the HVACR sector.

A distinctive element of the Galletti Group's success is its strategic desire to keep key processes in-house, a choice supported by significant investments that have enabled it to consolidate a trend of constant and sustainable growth in recent years.

Today, the Group consists of **four separate entities working in synergy**:



Galletti S.p.A.: within the Group, it is the benchmark company for the comfort-focused air-conditioning sector. It boasts a history of 118 years and today is a market leader in hydronic indoor units, chillers and heat pumps for the residential and service sectors.



Cetra S.r.l.: for decades, it has been active in the field of air handling with a wide range of air handling units and heat recovery units for civil and industrial air conditioning.

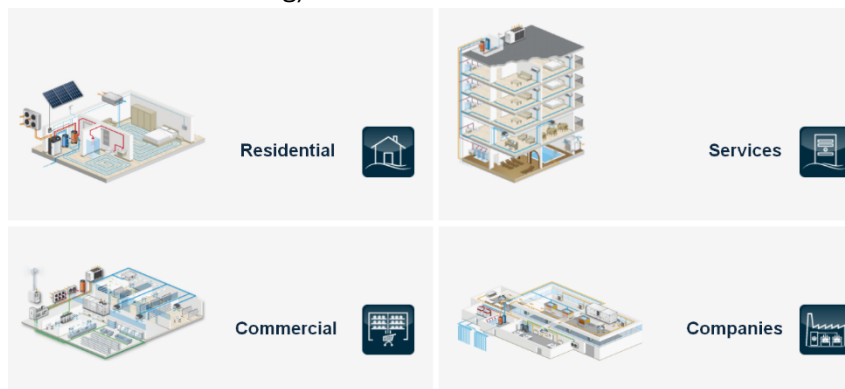


GH Service: it offers maintenance, service and after-sales support for Galletti brand products.



HT-Cooling: a company focused on process cooling that, thanks to more than 30 years of expertise, offers bespoke solutions tailored to the specific needs of its customers.

Thanks to the industry experience of each of the companies, we are able to cover all areas of HVAC (heating, ventilation and air conditioning):



Galletti: our solutions

"Today, Galletti is one of the leading players in the comfort-focused air-conditioning industry, both nationally and internationally."

In our factory we handle all stages of the production process in-house, including cold sheet metal working and the assembly of finished products, including hydronic indoor units, refrigeration units and heat pumps. We have an automated sheet metal processing centre, equipped with an automatic storage system, robots for bending small parts, and punching and bending centres.

The production is completed with the assembly of fan heaters, fan-coils, chillers and air-to-water and water-to-water heat pumps, by means of semi-automated lines. Each product undergoes rigorous end-of-line tests: functional, safety, robustness and anti-corrosion tests of the materials, as well as laboratory tests under different working load conditions.

Thanks to a **solid track record**, continuous **investment in technological innovation** and a **strong focus on quality**, we are recognised for our ability to offer high-performance, reliable and efficient solutions. We design and manufacture air conditioning systems and components conceived to ensure maximum environmental comfort, with an integrated approach that combines energy efficiency, design and application flexibility.

Specifically, we deal with:



A wide range of hydronic **terminals for air conditioning systems** with up-to-date technology and design that combine reliability and comfort. The hydronic terminal products are mainly: Cabinet-mounted fan coils, Recessed fan coils, High-wall fan coils, Ceiling cassette units, Ductable units and Fan heaters.



From the very beginning, our **chillers and heat pumps** have been emblematic of the quality and reliability that are hallmarks of the globally recognised 'Made in Italy' brand. Thirty years of experience in this type of product, driven by continuous and constant research and experimentation of innovative solutions, has resulted in one of the most comprehensive catalogues in the sector, capable of responding to different design requirements from 4 to 1200 kW. In fact, our chiller and heat pump catalogue showcases the cutting edge of HVAC technology, combining the use of low-GWP refrigerants with some of the highest seasonal efficiencies in the industry.



Development of printed circuit boards and dedicated software designed for controlling hydronic terminals, chillers and heat pumps, and for system control. Technology is also driven by design thanks to the new microprocessor controls with remote touch screen user interface such as EVO-2-TOUCH and the microprocessor control with remote touch screen user interface that allows easy and intuitive control even via smartphone with Galletti APP.

The strategic decision to verticalise and, with the aim of strengthening internal control along the entire supply chain and increasing the added value generated in-house, to keep activities such as **R&D, Design and Production** in-house has allowed constant growth, year after year, developing products that are highly competitive in terms of quality and performance. At the same time, the establishment of a dedicated **Software and Hardware Development Department** marked a decisive step forward, enabling the company to complete its catalogue with advanced solutions for controlling hydronic terminals, chillers, and heat pumps — as well as full system supervision.

By managing **development, design, and production entirely in-house** — from raw materials to finished products — the company ensures a fast and flexible response to customer needs. In addition,

it provides a **tangible competitive advantage** over the major players in the sector, thanks to direct control over quality and delivery times and to its ability to customise products.

Design Thinking & Open Innovation

"Design is not just a matter of aesthetics, in its most correct sense it means planning. At Galletti, we have long been designing with a vision of the future that awaits us: we aim to design today what our customers will need tomorrow, combining performance, efficiency and advanced technology with aesthetics and environmental sustainability. This for us is Advanced Design."

Our decision to embrace the **Advanced Design approach** stems from the need to foster continuous innovation in an increasingly complex and fast-paced environment — one that demands the integration of diverse skills and perspectives. If there is to be innovation, it must necessarily be 'open' to diverse forms of knowledge. We propose solutions that truly meet the customer's needs: Plant terminals, Chillers and Heat Pumps, in their many variations.

*To reinforce our approach still further, we have created an **Advanced Design Unit within the company**; this is fully in the *Made in Italy* tradition, which has always combined technological innovation with attention to shapes, materials and customer experience. The approach to design based on the culture of Design starts first and foremost by listening to the customer and considering their needs, in order to define a "product system" (not just a material object) that fully meets the user's expectations (of the material object and of the company itself).*

Our setting up a Design Unit means that we have chosen a relational **approach that involves the customer** in the creative process. It begins with a listening phase, which is the prerequisite for designing something that combines desirability with technological innovation, business value and sustainability, aligning the customer's experience with technical and regulatory requirements. It also means delivering our customers a customisation option that is absolutely new for the industry, yet is deeply rooted in the know-how culture typical of the best manufacturing companies in Italy. This method represents a radically innovative concept that starts, ideally, with an approach geared towards exploring possibilities even before setting product specifications.

In accord with the Design Thinking perspective, we decided to start our design activities by questioning and observing, in order to be able to learn, then imagine and 'pretotype', innovative solutions that are more and more responsive to people's sensitivities and way of life.

Ultimately, **design is not the pursuit merely of a 'beautiful form' but above all of a relationship with the customer**. We believe that this is the real key to success and the future of business. This is the road we decided to take by creating the **Advanced Design Unit**.

Research and Development Labs and Design

The constant desire to improve the product goes hand in hand with the need to refine research and development techniques, which is why the in-house **R&D (Research & Development)** department is a vital organ of our company, working in close collaboration with the production area and quality control department to guarantee a product that has been studied down to the smallest detail and conforms to the high standards set.

Our innovation projects and patents are a defining and strategic element of our competitive positioning. Over time, we have progressively expanded the number of initiatives, and today we are carrying out seven multi-year projects, the result of constant investment in research and development, which aim to develop cutting-edge technological solutions to meet the needs of efficiency, sustainability and performance in our sector.

What is developed, conceived and analysed in the R&D department then takes shape in the **Technical Department**, which handles the **mechanical and electrical design** of the hydronic terminals, chillers

and heat pumps, as well as the development from scratch of software and hardware solutions: an activity that, unlike other competitors, enables us to present ourselves on the market with an offering that is 'open' to the needs of our customers.

Finally, the **synergy between the different companies of the Group** enables a continuous exchange of information, increases expertise and guarantees an even faster evolution of the technologies that we can apply to our products.

The R&D laboratory is equipped with an extensive and advanced testing infrastructure, designed to support the testing, development and optimisation of the units in the catalogue. All systems and measuring equipment operate in an integrated and synergetic manner, with the aim of guaranteeing the highest performance and reliability of products destined for the market.

The R&D department has a highly specialised infrastructure that enables accurate and standardised testing of a wide range of HVAC products:

- **Climate chamber for tests up to 1200 kW**

It is the technological heart of the Bentivoglio laboratory, designed to verify the performance of chillers and heat pumps under real operating conditions. The integrated thermo-hygrometric control system guarantees reliable measurements. The facility also serves as a hub for collaboration with the academic world;

- **Climate chamber for tests up to 200 kW**

It enables performance and functional tests to be carried out on medium power units, in accordance with UNI EN 14511, ensuring stability and accuracy in the air/water parameters;

- **Tunnel system for aeraulic testing**

Used to determine terminal ventilation curves in accordance with UNI 5167 and Eurovent standards;

- **Reverberation chamber for acoustic measurements**

Certified facility for measuring the sound power of fan coil units in accordance with UNI EN 9614, including through sound intensity methodology.

- **Calorimetric chamber up to 30 kW**

It enables the thermal performance of fan coils, chillers and heat pumps to be evaluated in compliance with UNI EN 1397, UNI EN 14511 and Eurovent standards.

The integration of these resources enables the laboratory to offer a controlled and technologically advanced environment, which is essential for supporting continuous innovation and ensuring that the highest quality standards in the HVAC industry are met.

Collaboration between the different test systems is a strategic element, enabling Galletti to validate rigorously the performance of its solutions, in full compliance with the requirements of the **Eurovent certification programme**. This programme provides for the issuing of a final certificate under a voluntary programme managed by third parties, which certifies the operational performance of equipment in the fields of air treatment, air conditioning, and refrigeration, in accordance with European and international standards.

Awards

Industrial design is not just aesthetics: it is functionality, innovation, identity and customisation. At Galletti, we believe that a product should guarantee high technical performance, complementing it with

consistency of design, a focus on usability and attention to detail. Only through this balance between functionality and design is it possible to offer truly distinctive, value-oriented solutions.

This vision has allowed us to distinguish ourselves in the comfort-focused air-conditioning arena, numerous national and international awards attesting to the quality of our approach to industrial design.

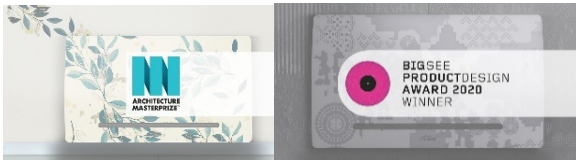
The awards we have won are tangible evidence of our commitment to the constant search for solutions that combine technology and aesthetic value, helping to set new standards in our industry.

In 2019, our ART-U product received its first major accolade at the **International Archiproducts Design Awards**, where a large jury of architects, journalists, and marketing specialists named it the best in the Construction category. An important first success for the design, which is the result of collaboration between our company and the Department of Industrial Product



Design at the University of Bologna.

The distinctive lines and innovative design approach of ART-U, coupled with high-level technical performance, have been recognised by the juries of some of the most prestigious international awards in the field of industrial product design.



These include the **Red Dot Award 2020** in the Product Design category, the **BigSEE Product Design Award 2020**, from Zavod Big, Centre for the Creative Economy of South East Europe, and the **Architecture MasterPrize (AMP) Award 2020**.



To further consolidate the value of the design, ART-U was also selected for the **ADI Design Index 2020**, a key milestone on the path toward nomination for the **Compasso d'Oro**, one of the world's most prestigious design awards.

Finally, in 2021, ART-U won another important award, the **Good Design Award**, a programme organised by the Chicago Athenaeum Museum of Architecture and Design and the Metropolitan Arts Press Ltd. that honours the most innovative and avant-garde industrial, product and graphic design projects from around the world.

TOWARDS SUSTAINABILITY

Our path to sustainability

The most important actors in tackling climate change are companies, which have a direct impact on the environment, people and society. With this in mind, within **Galletti**, in recent years, we have embarked on a journey to integrate sustainability into the business, a journey undertaken with determination and by adopting a systematic and holistic approach to addressing our impacts on the environment, resources and ecosystems involved.



Through a participatory process involving the **Board of Directors and the Cross-Functional Working Group**, we undertook several activities to deepen our understanding of our environmental and social impacts. We accurately mapped our starting point by means of an **ESG Assessment certified by the GRI Standards® reporting standard**; an initial study enabled us to assess our environmental, social and governance maturity, identify industry best practices, and determine the key issues and areas on which to focus our efforts. This fundamental data provided the basis for the drafting of a **multi-year strategic sustainability plan**, which outlines tangible objectives and targeted actions to reduce our environmental impact, strengthen our governance system and create shared value for people, the local area and the community.

From a strategic standpoint, we have embarked on an **ESG advisory journey** to identify and implement priority actions to reduce our environmental impact. We have, in fact, initiated and conducted an **EPD (Environmental Product Declaration) study**, following the LCA (Life Cycle Assessment) methodology used in accordance with **International Standards ISO 14040, ISO 14044 and EN 15804**, to assess the environmental impacts associated with two flagship product families, **Acqvaria** and **VLS**, which resulted in a transparent and verifiable statement.

Subsequently, we initiated work on a **Corporate Carbon Footprint study** - a detailed study of our overall emissions - and we are progressing with the process for obtaining **certification for gender equality**, further demonstrating our commitment to a fair and inclusive working environment.

During 2023, we started work on the publication of this document, our **first Sustainability Report**, a milestone reflecting our progress and our future goals for environmental, social and governance (ESG) sustainability.

These steps reflect our firm commitment to fostering responsible corporate management, with a strong focus on safeguarding the future for generations to come. We remain committed to advancing along this path, making a meaningful contribution to the fight against climate change and positioning ourselves as a proactive example within the **HVAC** industry—steadily focused on reducing energy consumption through efficiency and innovation.

Strategy: Pillars, Actions and Objectives

As part of an ongoing commitment to sustainability, we have embarked on a **significant strategic path based on 4 Pillars of Sustainability**, developed into key themes and specific actions for the four-year period 2024-2027. The plan focuses on **initiatives aimed at improving environmental, social and governance performance**.

The strategic pillars are the key areas we identified through a participatory process, also defining our commitment to them during a workshop involving the Board and the cross-functional working group. These are the areas we are committed to focusing on to ensure a positive and lasting impact on the environment and the people we interact with and who are affected by our actions.

Our **Strategic Sustainability Plan 2024-2028** reflects our commitment to position ourselves as a **competitive player, in the HVAC sector, for energy and technology efficiency and for environmental and social responsibility**. We will continue to monitor closely the implementation of these actions, regularly measuring our progress and adapting our approach to respond to emerging challenges and opportunities in the global sustainability landscape.

Strategic Sustainability Plan: Pillars and Commitment

PEOPLE & COMMUNITY



COMPANY



PLANET



PRODUCT, INNOVATION & SUPPLY CHAIN



Promotion of an inclusive and proactive working environment, ensuring the **professional growth** of employees and the **development of skills** through ongoing training. Development of valuable synergies with schools and collaborations with **local universities**. **Support** for the **diversity and inclusion of all workers to safeguard equal treatment**.

Introducing corporate governance that integrates **sustainability into the decision-making and operational processes**, assessing the risks and opportunities that arise. Operating with the **maximum transparency and highest business ethics**, maintaining high standards of security and control at all levels of the company. Managing ESG factors with consistency and a sense of responsibility in order to **generate value for stakeholders in the medium to long term**.

Continuous **investment in energy efficiency** and optimisation of resource use. Encouragement of **effective recycling and reuse practices**, integrating strategies to reduce and offset emissions generated at both company and product level. Continued focus on protecting the biodiversity surrounding the company's operations.

Constant investment in research and development for the designing of energy-efficient product technologies. Shifting towards **process and product innovation** to reduce environmental impact with a sustainability-driven approach. Creation of **virtuous relationships** with stakeholders in the value chain to enhance and guarantee the **quality and safety** of our solutions.

At the beginning of the following chapters, both the actions already undertaken and the future objectives for each sustainability pillar are presented, with the aim of providing a clear and transparent overview of the path we have taken and the strategic directions the company intends to pursue.

The relationship with our stakeholders

GRI 2-29



Stakeholders are individuals or groups that have an interest in the activities and decisions of a company. Each of these stakeholders can be influenced by the actions of a company and, in turn, can influence the company itself through their support, opinions, and demands.

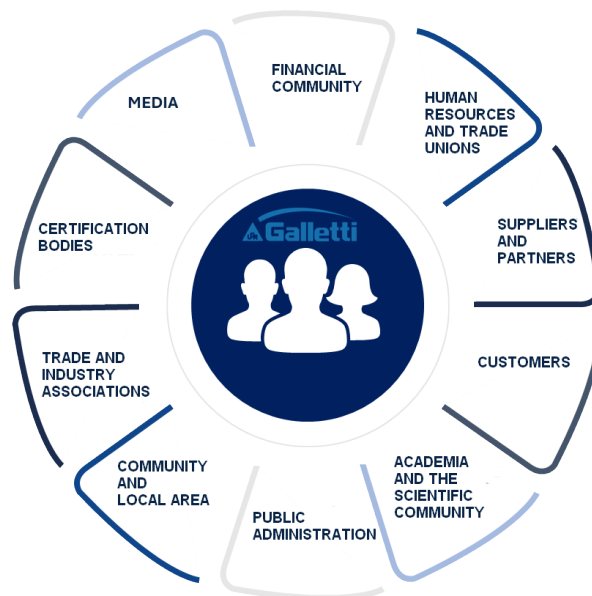
For Galletti, the **relationship with stakeholders is a central element that guides our strategies and actions for a more sustainable and responsible future**: maintaining positive relations and actively collaborating with stakeholders is therefore at the core of our commitment to sustainability.

Open and continuous dialogue with these groups allows us to understand better their needs and expectations, and to identify and manage potential risks associated with our operations. **This mutual interaction reinforces trust and transparency and also guides us in the creation of shared value**, where business success is integrated with the well-being of the parties and their interests.

During the process of drafting the sustainability report, a **participatory process** was set up with our consultants, involving an **Inter-functional working group, top management and the company board**, with the aim of ensuring a shared approach representing the different internal perspectives. Along the way, the **Galletti's first- and second-level stakeholders** were identified, i.e. those with whom we have direct and ongoing relations, and those who exert a more indirect influence or who may be impacted by the company's activities.

Below is our **Stakeholder Map and the ways in which they are currently informed and involved**.

Map of Galletti's stakeholders



At the same time, the **main communication and information channels** activated for each stakeholder category were analysed and defined, with the aim of ensuring transparency, accessibility, and consistency in our engagement.

MACROCATEGORY	SUBCATEGORY	FIELD OF INTEREST	METHOD OF INFORMING
FINANCIAL COMMUNITY	Members and shareholders	<ul style="list-style-type: none"> Financial and social sustainability over time 	<ul style="list-style-type: none"> Company financial reports Website Board of Directors Specific meetings Email Ad hoc surveys (e.g. materiality assessment surveys)
	Banking Institutions		
HUMAN RESOURCES	Employees	<ul style="list-style-type: none"> Employment stability Well-being at work Responsible governance 	<ul style="list-style-type: none"> Website Corporate Intranet Notice board Social Media Individual meetings Corporate events Training and awareness-raising activities, professional development opportunities Regular meetings Email and Newsletter Ad hoc surveys (e.g. materiality assessment surveys)
	Staff		
	Management		
	Trade Unions		
SUPPLIERS AND PARTNERS	Suppliers of Goods	<ul style="list-style-type: none"> Continuity of working relations Business integrity Financial and social sustainability over time 	<ul style="list-style-type: none"> Website Contract Documents Periodic meetings Supplier Register Entry Email Ad hoc surveys (e.g. materiality assessment surveys)
	Service Providers		
	Partners (Subsidiaries)		
CUSTOMERS	Customers	<ul style="list-style-type: none"> Product quality and safety Customer care Business integrity 	<ul style="list-style-type: none"> Customer Service Social Network Website and Newsletter Press releases Complaint handling, dispute management Specific meetings and webmeetings Ad hoc surveys (e.g. materiality assessment surveys)
	Export Distributors		
	Resellers		
	Installers		
	Designers		
ACADEMIA AND THE SCIENTIFIC COMMUNITY	Universities and Start Ups	<ul style="list-style-type: none"> Collaboration opportunities for undergraduate education Collaboration opportunities Financial stability Financing 	<ul style="list-style-type: none"> Trade Fairs and Events Career days Ad hoc surveys (e.g. materiality assessment surveys)
	University Professors and Researchers		
PUBLIC ADMINISTRATION	Local/central/national administrations	<ul style="list-style-type: none"> Responsible governance Transparent management Regulatory Compliance 	<ul style="list-style-type: none"> Website Periodic Statements Ad hoc surveys (e.g. materiality assessment surveys)
COMMUNITY AND LOCAL AREA	Non-Profit Organisations	<ul style="list-style-type: none"> Support for local initiatives Financial support for local associations 	<ul style="list-style-type: none"> Trade Fairs and Events Meetings and local events Social Media
	Cultural institutions		

	Schools and students	<ul style="list-style-type: none"> • Financial support for the local area • School - work placement 	<ul style="list-style-type: none"> • Website • Donations • Ad hoc surveys (e.g. materiality assessment surveys)
	Local communities		
TRADE AND INDUSTRY ASSOCIATIONS	Trade Associations	<ul style="list-style-type: none"> • Product quality • Product safety • Innovation 	<ul style="list-style-type: none"> • Website • Discussion meetings • Email • Ad hoc surveys (e.g. materiality assessment surveys)
	Industry associations		
CERTIFICATION BODIES	Certification Bodies	<ul style="list-style-type: none"> • Maintaining certifications • Future certifications 	<ul style="list-style-type: none"> • Audit days • Specific meetings
MEDIA	National/ local/ financial newspapers/ websites	<ul style="list-style-type: none"> • News and developments 	<ul style="list-style-type: none"> • Personal meetings • Social Media • Website • Press releases
	Trade magazines		
	Social media channels		

Materiality Assessment

GRI 3-1 | GRI 3-2 | GRI 3-3



Material issues are those that reflect the significant economic, environmental and social impacts that a company generates that substantially influence stakeholder evaluations and decisions.

An issue is material when it is perceived as relevant by stakeholders, because it influences their decisions and can have a significant economic, environmental or social impact on the company's activities.

The process of **identifying material issues**, undertaken during the period covered by this report, **involved the Board and top management directly, as well as a number of stakeholder categories, including major customers, designers and installers, distributors and resellers, suppliers of goods and services, employees, and universities and research centres with which we collaborate.**

Specifically, in March-May 2025, we sent **over 300 stakeholders** a materiality survey and obtained a **response rate of about 52%**.

We chose to involve our stakeholders as early as this first sustainability report, **in order to ensure a comprehensive and balanced view of environmental, social and governance priorities** and to strengthen the **alignment of medium- and long-term corporate strategy to external expectations.**

The materiality process followed, which was robust and structured, involved the following steps:

THE MATERIALITY PROCESS

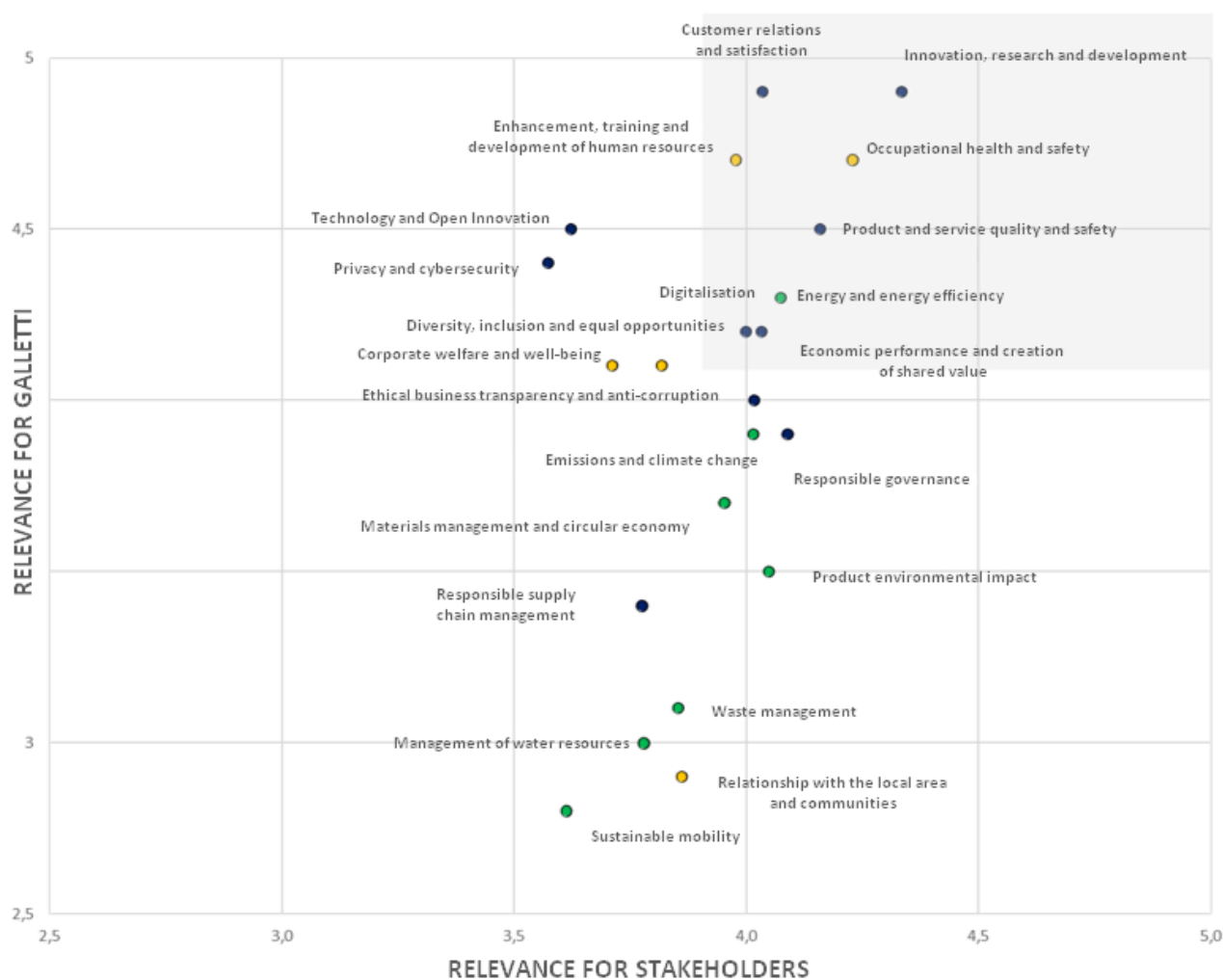
- 1 Mapping of stakeholders and their ways of engagement

2	Analysis of market scenarios and prospects, in-depth analysis of national and international comparables (benchmark analysis)
3	SASB (<i>Sustainability Accounting Standards Board</i>) Analysis Materiality Map, relating to the Industrial Machinery and Goods sector, in particular <i>Resource Transformation (SICS® Sector) - Industrial Machinery & Goods (SICS® Industry)</i>
4	Listing of the ESG issues and assessment of their internal materiality through the involvement of the Board and Top Management
5	Interviews with certain internal stakeholders on the business model and corporate priorities
6	Involvement of stakeholders, both internal (employees) and external (suppliers, distributors and dealers, designers and installers, banking institutions, university/college professors and researchers and start-ups, non-profit organisations (NPOs) and trade associations, business partners/associated companies) in the assessment of ESG issues of interest
7	Analysis of the results obtained, construction of the Galletti materiality matrix and its confirmation by the Board.

The **materiality matrix** below represents visually the outcome of the analysis process aimed at identifying the sustainability issues of most relevance for the company and its stakeholders. Constructed by cross-referencing the level of relevance attributed internally (y-axis - Relevance for Galletti) with that expressed by the different categories of stakeholders involved (x-axis - Relevance for Stakeholders), the matrix allows for the clear identification of strategic priorities. The issues positioned at the top of the matrix - so-called **material issues**¹ - i.e. which were rated higher than the set thresholds, reflect the areas on which the company will focus its efforts most, guiding future actions and the reporting system.

¹ Material issues: issues considered material to the company and stakeholders because they are more representative of the sustainability impacts generated by Galletti and are 'ideally' already being addressed by the company.

The Galletti materiality matrix



As a result of the stakeholder engagement activity carried out, **8 out of 22 issues turned out to be material.**

Among the environmental issues, the only one deemed material was 'Energy and Energy Efficiency', a core and defining issue for Galletti, which is currently well-managed.

Among the **issues** that emerged as **relevant²** were '**Emissions and Climate Change**', '**Product Environmental Impact**' and '**Materials Management and Circular Economy**', issues on which Galletti decided to take action (e.g. EPD, CFO).

Of the social issues, the material ones are '**Occupational Health and Safety**' and '**Enhancement, Training and Development of Human Resources**', which are also being addressed today.

Among the issues that emerged as relevant were '**Corporate Welfare and Well-being**' and '**Diversity, Inclusion and Equal Opportunities**', which are in line with the choices and efforts the company is making (e.g. UNI PdR 125:2022).

The numerically largest Governance topics that emerged as material were: '**Innovation, Research and Development**', as evidenced by the company's investment and strategic orientation; '**Customer Relations and Satisfaction**', directly linked to '**Product and Service Quality and Safety**'; '**Economic Performance and Creation of Shared Value**'; and '**Digitisation**'.

Among the **governance issues** identified as **relevant** was '**Responsible governance**,' an area in which work began with the (albeit informal) establishment of the working group overseeing the ESG project, and with the attention being given to the Code of Ethics and the Organisation, Management and Control

² Relevant issues: issues representative of the sustainability impacts generated by Galletti for which actions to address them are being taken.

Model pursuant to Legislative Decree 231. This outcome aligns with the company’s current choices and efforts (e.g. UNI/PdR 125:2022). Added to these are ‘**Technology and Open Innovation**’ and ‘**Privacy and Cybersecurity**’, areas in which the company has shown interest and has chosen to undertake significant projects during 2024, with further initiatives planned for the future.

The contribution to sustainable development



The Sustainable Development Goals - SDGs - are a set of 17 goals defined under the auspices of the United Nations, with the intention of guiding countries and organisations around the world on the path to the reduction of inequalities, the promotion of economic prosperity, social development and protection of the environment. Each goal is made up of specific targets, totalling 169 in all; together they constitute the core elements of the 2030 Agenda for Sustainable Development.



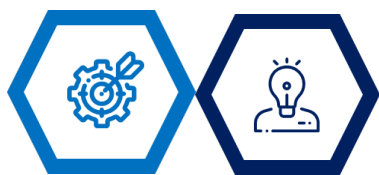
Institutions, businesses, and organisations are currently prioritising active contributions to meeting the global sustainability challenges. In light of its operational scope, we conducted a correlation between the Sustainable Development Goals (SDGs) and Galletti’s material issues. This was carried out through an analysis of the GRI indicators reported in this document and the goals relating to the projects initiated and supported in connection with the SDGs and their targets, all in accordance with the document “Framework Linking the SDGs and the GRI Standards”; this document is a guide updated in May 2022 by the Global Reporting Initiative (GRI), which supports organisations in aligning the targets of each of the 17 SDGs with the disclosures of the GRI Standards.

	ISSUE	SDGs
ENVIRONMENT	Energy and energy efficiency: the efficient and responsible use of energy within the company, with the aim of reducing consumption, operating costs and environmental impact. This includes the adoption of renewable energy sources, optimisation of production processes, use of energy-efficient technologies and continuous monitoring of consumption.	
SOCIAL	Enhancement, training and development of human resources: enhance the professionals with whom we work on a daily basis and invest in them for value creation.	
	Occupational Health and Safety: ensuring safety at work not only protects employees, but also improves productivity, reduces costs associated with accidents and reinforces a corporate culture based on people's well-being.	
	Customer Relations and Satisfaction: the commitment to build and maintain solid, transparent and long-lasting relationships with customers with a guarantee of satisfaction.	
GOVERNANCE	Innovation, research and development: the process of creating and improving products, services and business processes through the use of new technologies, ideas and approaches.	
	Economic performance and creation of shared value: the adoption of a business model that integrates economic performance with social and environmental responsibility, creating shared value over the long term.	

<p>Product and service quality and safety: strict controls are in place during all stages of production, from design to distribution, to ensure that each product and service complies with safety regulations and meets customer expectations.</p>	
<p>Digitalisation: integrating of digital technologies into all aspects of our business, through the adoption of new tools with the aim of improving efficiency, innovation and competitiveness.</p>	

COMPANY: CORPORATE GOVERNANCE

Future Goals and Objectives



COMPANY - PRODUCT, INNOVATION & SUPPLY CHAIN

ISSUE	WHERE WE ARE TODAY	FUTURE GOALS
Privacy and data security	<ul style="list-style-type: none"> Formalisation of a Data Security Management Policy Drawing up of a disaster recovery plan 	<ul style="list-style-type: none"> Formalisation of an external policy for suppliers for data security management and related training Completion of IT training for all staff
Business transparency and integrity	<ul style="list-style-type: none"> Publication of ESG initiatives by means of the First Sustainability Report (voluntary) 	<ul style="list-style-type: none"> Publication and annual update of the Sustainability Report
Customer satisfaction	<ul style="list-style-type: none"> Constant monitoring of customer satisfaction and management of critical issues 	<ul style="list-style-type: none"> CRM implementation and structured customer satisfaction questionnaire
Fight against corruption	<ul style="list-style-type: none"> Monitoring the risks of active and passive corruption 	<ul style="list-style-type: none"> Implementation of Model 231 and Anti-Corruption Policy Employee training and awareness-raising on the issue
Responsible governance	<ul style="list-style-type: none"> Drafting the Strategic Sustainability Plan 2024-2028 Redefining the Mission, Vision and Corporate Values 	<ul style="list-style-type: none"> Formalisation of a Sustainability Committee Drafting of a Code of Ethics Implementation of a methodology for defining Macro Objectives called OKR: Objectives and Key Results
Risk and impact management	<ul style="list-style-type: none"> Internal and external materiality analysis 	<ul style="list-style-type: none"> ESG risk mapping and analysis
Supply Chain Management	<ul style="list-style-type: none"> Implementation of a structured and organic supplier management procedure taking into account environmental criteria 	<ul style="list-style-type: none"> Implementation of a supplier evaluation and approval plan based on compliance with environmental and social criteria Development of supplier code of conduct
Innovation, research and development	<ul style="list-style-type: none"> Launch of the first range with zero GWP Strategic partnership between the company and the University of Bologna for the carrying out of research projects 	<ul style="list-style-type: none"> Starting of circularity projects

Governance Structure

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-14 | GRI 405-1

Legally speaking, we are a Limited Liability Company with an organisational structure based on a traditional model.

Our company is wholly owned by the **Galletti Family** and the shareholding structure is divided as follows: 26% of the shares are held by Luca Galletti, 26% by Michele Galletti, 14% by Franca Galletti, 14% by Carla Galletti, 14% by Paola Galletti and the remaining 5% is held by Galletti S.p.A.

The corporate bodies are represented by the Board of Directors (B.o.D.) and the Board of Internal Auditors, whose members are appointed by the shareholders' meeting.

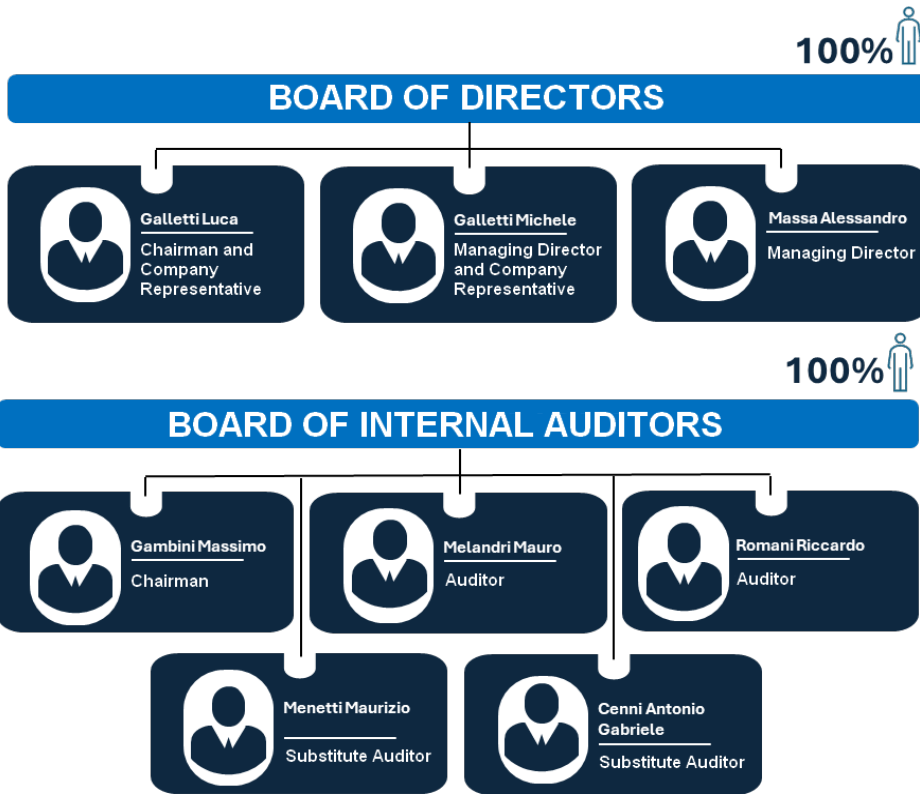
The **Shareholders' Meeting** is the body that represents the interests of the company as a whole and is responsible for making the most important decisions for the life of the company, appointing the board of directors, approving the financial statements and amending the articles of association.

The **Board of Directors** is composed of three members and is responsible for the functions and responsibilities of the company's strategic and organisational guidelines; it is vested with the broadest powers for ordinary and extraordinary administration, with the authority to perform all acts it deems appropriate to achieve the corporate objective, excluding those reserved by law for the Shareholders' Meeting. The list of shareholders is updated when the financial statements are filed or in the event of extraordinary transactions. The highest managerial responsibilities within our company are assigned to the managing directors.

The **Board of Internal Auditors**, comprising five members (including two substitutes) who remain in office for three financial years, has the task of overseeing the activities of the directors, with the main objective of ensuring that all responsibilities are fulfilled in accordance with applicable laws and the articles of association. Appointed by resolution of the shareholders' meeting, the Chairman of the Board of Internal Auditors is responsible for ensuring that the Board of Internal Auditors performs its monitoring functions.

The bodies also include an **Auditing Firm**, which verifies that the company accounts are properly kept and that the operating events are correctly recorded in the accounting records, and expresses an opinion on the financial statements in a special report. The appointed firm of auditors is DFK Italia S.r.l., in office until the approval of the financial statements as at 31.12.2024.

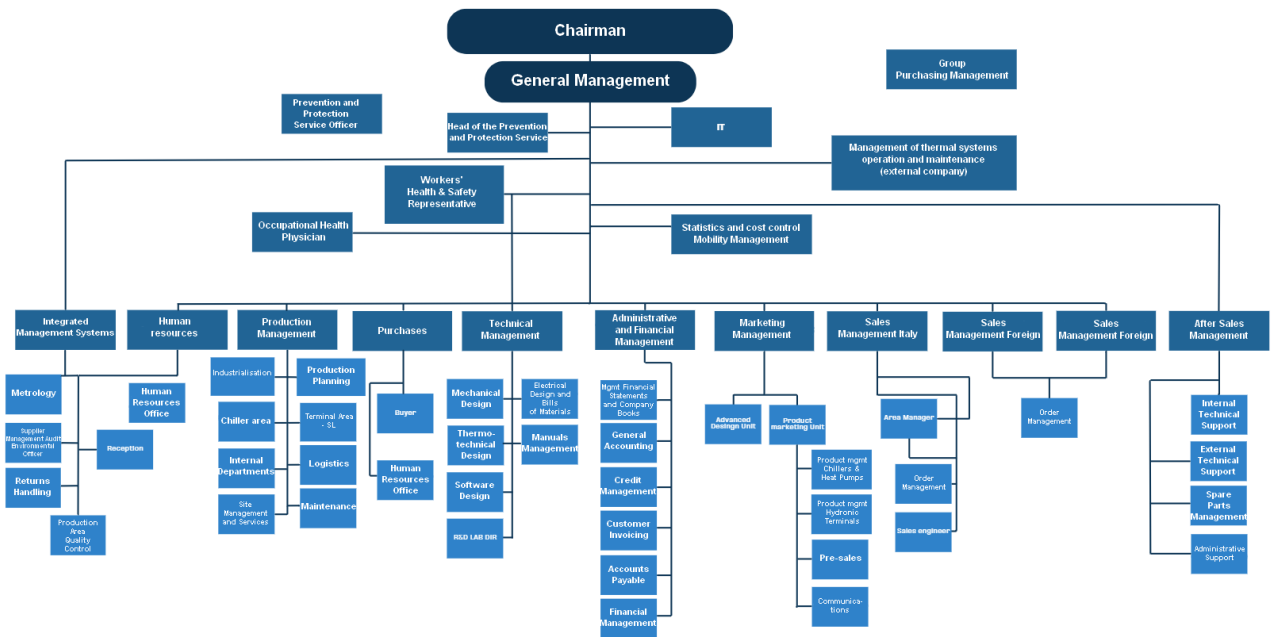
As at 31 December 2024, the Board of Directors was made up entirely of men; as regards the average age of members, 67% were in the over-50 bracket. As for the Board of Internal Auditors, all members belong to the over-50 bracket.



For details regarding the composition, gender and age group of the governing bodies, please refer to the ‘Reporting package’ section at the end of this document.

Management is defining a new methodology aimed at identifying the company's macro-objectives, both at process level and transversally, with the aim of making the planning process more effective, integrated and consistent with the organisation's overall strategy.

Galletti's Organogram



Ethics & Compliance

GRI 2-26 | GRI 2-27 | GRI 205-1 | GRI 205-3

As a responsible company, we recognise our role in promoting sustainable and inclusive development. This commitment translates into the development and marketing of energy-efficient products and solutions, with the aim of generating tangible benefits for both our customers and the environment. At the same time, we ensure that our production and distribution activities are conducted in accord with sustainability criteria along the entire value chain.

Our vision of corporate responsibility is inspired by the **ten principles of the UN Global Compact**, relating to human rights, labour rights, environmental protection and anti-corruption, although we do not formally adhere to the initiative. These principles are based on international reference documents such as:

- the Universal Declaration of Human Rights;
- the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- the Rio Declaration on Environment and Development;
- the United Nations Convention against Corruption.

We take a proactive approach to managing environmental challenges in the countries where we operate, seeking to act responsibly with regard both to external ecosystems and the internal working environment, thus contributing to the creation of sustainable value in the long term.

We operate a whistleblowing system to protect corporate ethics and compliance, promoting the confidential reporting of unlawful or non-compliant conduct, thus contributing to the strengthening of a culture of transparency and accountability, in line with responsible governance commitments.

We apply a zero-tolerance policy towards corruption, and confirm that no incidents or situations attributable to corrupt practices or unethical behaviour occurred during the reporting period.

Economic value generated and shared

GRI 201-1 | GRI 201-4

In 2024, the heat pump market and, more generally, the thermal comfort sector slowed down compared to the turmoil observed in 2023, with signs of a slight downturn in some segments, particularly in small heat pumps, where overstocking by competitors affected the market trend.

The European geopolitical context remained unstable, due to the continuing conflicts in Ukraine and the Gaza Strip, aggravated by the recent involvement of Iran, factors that generate uncertainty about the outlook for 2025. These tensions could adversely affect the pace of energy transition by slowing down demand in the chiller and heat pump sector. However, the medium- to long-term outlook continues to predict overall growth in the industry.

On the production side, the company has room for expansion, particularly in the manufacture of chillers and heat pumps.

Overall, the **2024 turnover was positive, registering a 6.3% increase compared to 2023.**

With regard to the financial results achieved during 2024, we recorded a **profit of EUR 1,835,972.**

During 2024, **the value of production reached a total of EUR 61,676,239**, of which 94.9% - or EUR 58,500,433 - came from **revenues from sales and services.**

For the implementation of specific initiatives, we received contributions from public administration totalling EUR 303,600. In particular, the subsidies related to tax credits for research and development,

innovation 4.0 and design, incentives for the production of electricity from grid-connected photovoltaic systems, as well as other financing of a different nature.

In 2024, we invested a total of EUR 985,121 in research and development activities having enduring relevance. The resources allocated are earmarked for the development and launch of new products, as well as for supporting the numerous technological innovation initiatives promoted internally. The activities are among those eligible for tax credit for research, development and innovation under current legislation.

Looking to the near future, we have planned **significant investments for 2025 in the order of some 5 million euros** in a new sheet metal processing centre, a new climate chamber for testing chillers and heat pumps, and the expansion of the photovoltaic plant area.

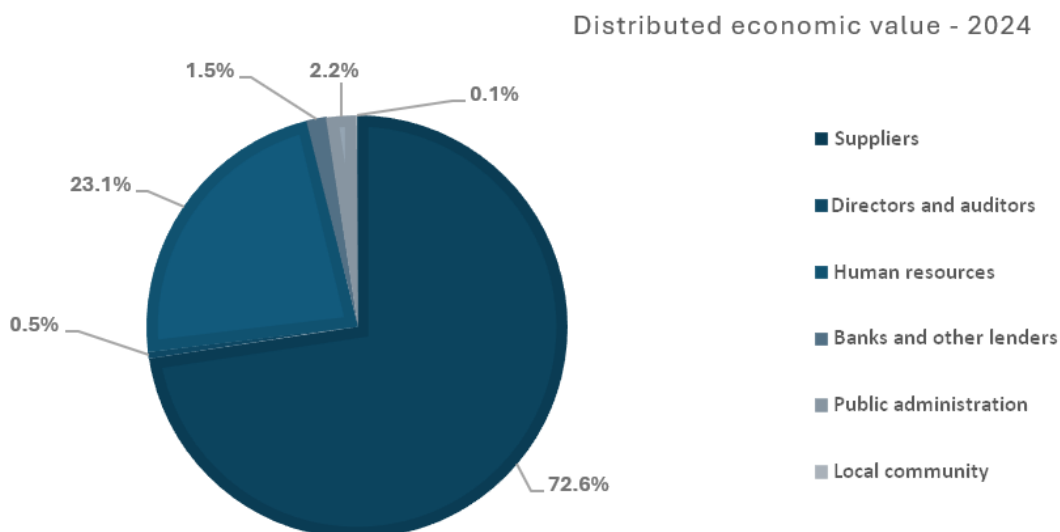
At Galletti, we recognise the importance of a balanced distribution of the value generated by our activities among stakeholders, value that they, directly or indirectly, have helped produce.

Economic Value Generated and Received refers to revenues from sales generated during the year, as well as changes in contract work in progress and other revenues and income, which include income from subsidiaries and contributions received for training activities, contributions for gas and energy, and contributions related to Industry 4.0.

Distributed Economic Value refers to the wealth generated and distributed to certain categories of bodies who, with their different contributions, have shared in the generation of value and/or who are in any case among the main stakeholders.

Economic Value Retained, in 2024 over EUR 4,510,611, relates to the difference between the economic value generated and received and the economic value distributed; it constitutes the portion of economic resources retained within Galletti for its own sustenance and sustainability over time. In addition, dividends amounting to EUR 1,133,527 were paid during 2024.

During 2024, we generated and received a total of EUR 62,047,378 in value, of which EUR 57,536,767 was distributed to the various stakeholders. The main stakeholder categories involved were **suppliers and human resources, to whom approximately 73% and 23% of the generated wealth was distributed respectively.**



Integrated management system and certifications: the basis of our commitment

GRI 2-6 | GRI 2-23 | GRI 403-7 | GRI 416 -1 | GRI 416-2

The **integrated certification system** is the backbone of our operations. Through internationally recognised standards, we ensure quality, safety and responsibility in every area of our business.

The history of our certifications started in 1994, when we joined the Eurovent programme for fan coils, later extending it to chillers and heat pumps. In 2000 we obtained UNI EN ISO 9002:1994 certification of our quality system, which was later upgraded to **UNI EN ISO 9001:2015**.

Over the years, we have continued to invest in improving our processes, achieving compliance with Directive 2014/68/EU (PED) and aligning our occupational health and safety system with the **ISO 45001:2018** standard.

Since 2012, we have complied with Regulation (EU) 2015/2067, which requires **F-GAS certification** for companies that manufacture stationary refrigeration, air conditioning and heat pump equipment containing fluorinated gases. This certification ensures that our refrigeration technicians are properly trained to operate in an environmentally friendly manner, helping to reduce refrigerant gas emissions into the atmosphere.

In December 2021, we reached a further strategic milestone by obtaining **UNI EN ISO 14001:2015** environmental certification, issued by Kiwa Cermet Italia S.p.A.

This recognition confirms our commitment to core corporate values, including continuous improvement of environmental performance and the adoption of sustainability-oriented policies.

For us, this certification does not represent a point of arrival, but the start of a continuous evolutionary path: every day we strive to define tangible environmental objectives, to achieve them and to improve them over time, with the determination to generate positive and lasting impacts.

Our certified management systems and environmental product declarations



Quality Management System (UNI EN ISO 9001:2015): aimed at ensuring consistent quality of products and services and customer satisfaction.



Health and Safety Management System (UNI EN ISO 45001:2018): aimed at preventing accidents, occupational diseases and promoting a safe working environment that complies with current regulations.



Environmental Management System (UNI EN ISO 14001:2015): provides a structured framework for the systematic improvement of environmental performance.



Environmental Product Declaration (EPD): obtained by conducting a Life Cycle Assessment (LCA) study used in accord with International Standards ISO 14040, ISO 14044 and EN 15804 to assess the environmental impacts associated with the Acqvaria, Acqvariai and VLS product families.

PRODUCT QUALITY AND SAFETY

"For us, quality is a tangible fact, achieved through tests, trials and certifications that guarantee satisfaction for our customers."

All components we use are subjected to rigorous laboratory tests, including material strength tests, corrosion tests and simulations of operation under different workloads. No finished product leaves our plants until it has passed end-of-line testing. In this phase we carry out function tests on all components, electrical safety tests and specific checks on the refrigeration circuit.

Within the scope of the design and manufacture of our **products**, we carry out a thorough **product safety risk assessment**, in accordance with the requirements of the **Machinery Directive 2006/42/EC**, as well as further applicable European directives and the **product technical standards**. This process is an integral part of our development activities and ensures compliance with essential safety requirements, contributing to end-user protection and manufacturer responsibility.

Service and technical support activities are managed in compliance with occupational health and safety regulations, as established by **Italian Legislative Decree 81/2008**. In particular, services provided under contract are regulated through the **drafting of the Single Document for the Assessment of Interference Risks (DUVRI)**, in collaboration with the contracting party, to prevent overlapping risks and ensure effective oversight even during activities carried out at third-party sites.

It is only through this process that we can ensure that each unit meets the quality standards we have set for ourselves.

Thanks to this approach, all our products successfully pass the stringent tests required to obtain the **Eurovent Certification**, issued by the European reference body that independently certifies the performance of hydronic terminals, chillers and heat pumps.

Since 1994 we have participated in the Eurovent programme with the '**Certify All**' approach, certifying fan coils, chillers and heat pumps: a transparent commitment that sets us apart in the market.

We declare the performance of all the products included in the programme and we do this seriously, guaranteeing our customers the highest quality, which is always verifiable and traceable.

Our value chain: customers and suppliers

GRI 2-6 | GRI 204-1 | GRI 308-1 | GRI 414-1

Customers

We serve a diverse customer base that includes large industrial and manufacturing companies, HVAC designers and installers, specialised distributors (ITS channel) and international partners. While in the civil and service sector, Galletti solutions are used in offices, hospitals, shopping centres and residential facilities.

Management recognises the **pivotal role of customer satisfaction** as a key driver of business success. This satisfaction is measured by analysing the reports received directly from customers, as well as feedback collected from sales staff and employees in the field, from the Technical Assistance Centres (CAT) and at specific events.

A further source of insight is the activities carried out internally on the various social platforms, which make it possible to monitor brand perception and customer satisfaction.

The quality expected and perceived by the customer is based on a set of identified key requirements, including:

- the technical specifications of the product and its performance;
- design;
- after-sales service and customer care throughout all stages, from design to installation and maintenance.

This integrated approach ensures a consistent, high-value experience for our customers.

Suppliers

Supplier selection is crucial for us, both for product quality and company performance. We view **suppliers as strategic allies**, favouring those who combine cost-effectiveness with high standards of quality and safety.

Our incoming material consists of:

- raw materials, processed in-house, such as raw or pre-painted galvanised iron sheet and aluminium sheet;
- externally purchased electrical, electronic and hydraulic components, components for refrigeration circuits, copper and iron piping, motors, electric pumps and plastic components, which are incorporated into equipment manufactured in-house;
- packaging materials, such as cellophane, cardboard boxes and wooden pallets.

To optimise the management of our supply chain and **guarantee an effective, traceable and shared procurement process**, we have adopted a structured procedure that provides for the classification of purchase orders into two macro-categories, depending on the nature of the requirement and the operating methods. The first category includes recurring and schedulable procurement over time, characterised by continuity and stability of the relationship with the supplier. The second category relates to purchases of goods or services from regular or occasional suppliers, linked to specific production or organisational requirements. These in turn are divided into other more operational sub-categories.

For each purchasing requirement, the documents, responsibilities and timeframes necessary for managing the relationship with suppliers are defined. The issuing of a purchase order to a supplier is preceded by the **vetting of the supplier and the materials, equipment or services** provided by him. This process ensures compliance with the quality, technical and regulatory standards required by our organisation.

Therefore, the inclusion of each entity in our company's list of approved suppliers is subject to the satisfying of a number of minimum requirements, including:

- A supply agreement;
- Product test reports;
- Declaration of their Conformity to Directive 2002/95/EC RoHS;
- Declaration of their compliance with European Regulation REACH No. 1907/2006, Article 33, including conformity with the Regulation establishing the SCIP database (Substances of Concern In articles as such or in complex objects – Products);

- Declaration of their Conformity to Directive 2002/95/EC RoHS;
- Material Safety Data Sheets in accordance with Italian Leg. Decree 52/1997 and 65/2003 as amended in compliance with Article 223 of Consolidated Act 81/2008;
- Various declarations of their compliance with mandatory regulations.

In addition to these minimum criteria, we require information regarding their holding of certifications: ISO 14001, ISO 9000, ISO 45001 and Organisation Carbon Footprint Certification ISO 14064.

In 2024, 24% of the new suppliers registered were assessed in accord with the above-mentioned environmental and social criteria.

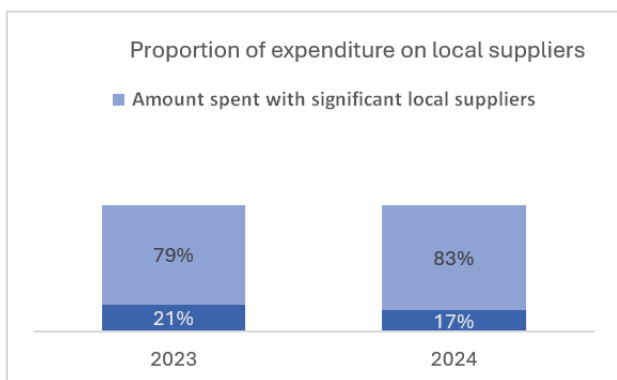
For chemical purchases, there is a specific preliminary operating procedure to ensure regulatory compliance and the protection of workers' health and safety.

In particular, right at the proposal stage, the competent office is required to request from the supplier the updated safety data sheets of the proposed products. The documentation received is then jointly assessed by the Occupational Health Physician (MC) and the Head of the Prevention and Protection Service (RSPP), who check its compatibility in the context of the company, particularly with regard to its suitability for the intended use and any associated risks.

Only after a favourable opinion from the Occupational Health Physician can the purchase be formalised and authorised.

Origin of Suppliers

The company policy is to source as much as possible from approved European suppliers. That said, circumstances may occasionally compel sourcing from outside Europe, where assurances regarding product quality or contamination cannot always be guaranteed.



For non-European suppliers, more stringent policies for goods inward inspection and performance maintenance are being adopted.

In 2024, the amount spent with significant local suppliers (based in Italy), i.e. those with an annual purchase turnover of more than 100,000€, was 83% of the total supply expenditure, 5% more than in 2023.

Managing, monitoring and controlling the supply chain in a responsible manner is crucial for our company. We are committed to maintaining a constant dialogue with our partners, promoting transparency and mutual cooperation. This approach ensures product quality, compliance with ethical and environmental standards and the creation of shared value for all involved in the supply chain.

Data Security

GRI 418-1

In today's context of comprehensive digital transformation, protection of personal data and confidentiality of information is a priority commitment for us, and an enabling factor for establishing and maintaining relationships of trust with our stakeholders.

During 2023, we initiated a **cybersecurity assessment** project aimed at strengthening the organisation's digital resilience. The initiative included targeted training for IT teams and function managers, with the aim of increasing awareness of cyber risks and developing specific skills for managing and mitigating cyber threats.

At the same time, starting in 2022, all employees, including new recruits, were made to sign the **IT Policy**, a document that draws together the company's data management and digital security policies. This tool is an essential safeguard to ensure responsible and compliant information protection behaviour, integrating information security within the overall governance and risk management system. The adoption of the policy is a strategic step in the digitisation process and in the promotion of a **corporate culture oriented towards cyber security**.

The protection of the data of customers, employees, suppliers and other stakeholders is ensured through the adoption of **advanced technical and organisational measures**, aimed at guaranteeing an appropriate level of security and preventing unauthorised access or improper processing. Data are managed using manual, digital and telematic systems, in accordance with the principles of **fairness, correctness, transparency and minimisation**, as set out in Regulation (EU) 2016/679 (GDPR) and applicable national legislation.

No cases of privacy breaches or incidents of loss, theft or misuse of personal or customer data were detected in the two-year period 2023-2024, in line with GRI Standard 418-1. This result testifies to the effectiveness of our approach to data management, based on procedural rigour, accountability and regulatory compliance.

We promote an internal **data protection culture** through regular training and awareness-raising activities for all staff. The implementation of preventive controls - such as access profile management, use of secure credentials, separation of roles and logging of activities - further strengthens our information security system.

We consider privacy protection to be a pillar of our corporate responsibility and a key indicator in measuring our ESG performance. We will continue to invest in technology, policies and expertise to ensure the full protection of information and the trust of our stakeholders.

PEOPLE: PEOPLE AT THE CENTRE

Future Goals and Objectives



PEOPLE & COMMUNITY



ISSUE	WHERE WE ARE TODAY	FUTURE GOALS
Talent acquisition and retention	<ul style="list-style-type: none"> Strengthening of relations with leading universities in the area to launch university internships/placements 	<ul style="list-style-type: none"> Launching of a university internship/placement every two years
Diversity, inclusion and equal opportunities	<ul style="list-style-type: none"> Board and cross-functional group training on "diversity, inclusion and equal opportunities" Implementation of a Gender Equality Management System in the company 	<ul style="list-style-type: none"> Awarding of gender equality certification in accord with UNI/PdR 125:2022 Employee training on "diversity, inclusion and equal opportunities"
Relationship with the Local Area and Communities	<ul style="list-style-type: none"> Implementation of social and cultural initiatives in partnership with local entities 	<ul style="list-style-type: none"> Promotion/sponsorship of at least two events per year for cultural, sporting, social etc. purposes.
Development of employees' skills	<ul style="list-style-type: none"> Implementation of transversal training, on soft and hard skills 	<ul style="list-style-type: none"> Expansion of ESG training Setting up a skills development programme
Welfare and well-being at work	<ul style="list-style-type: none"> Implementation of employee welfare initiatives that ensure work-life balance 	<ul style="list-style-type: none"> Formalisation of corporate welfare plan Development of a survey on organisational well-being
Occupational health and safety	<ul style="list-style-type: none"> Implementation of the ISO 45001 occupational health and safety management system Ongoing training and information on health and safety risks 	<ul style="list-style-type: none"> Setting up <i>lean manufacturing</i> stations Implementation of a survey on work-related stress Further investment in information and training on the subject

Human Capital

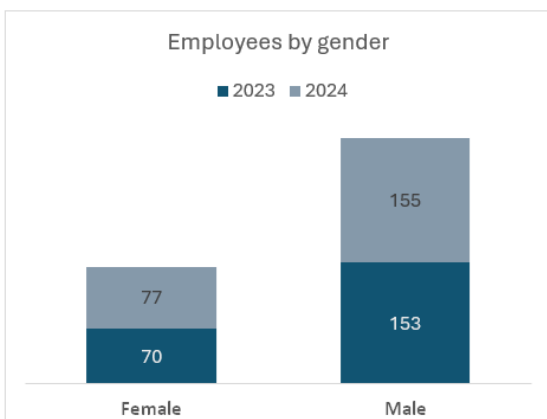
GRI 2-7 | GRI 2-8 | GRI 2-30 | GRI 401-1 | GRI 401-2 | GRI 401-3 | GRI 404-1 | GRI 405-1 | GRI 406-1

"Human capital is at the heart of our growth strategy. We recognise the essential value of the person and professional qualities of our people, which are considered to be a strategic asset for the long-term success and resilience of our business."

We believe that the enhancement of human capital generates a tangible competitive advantage: **a competent, motivated and constantly evolving team is the foundation on which we build our performance and our ability to innovate and adapt to change.**

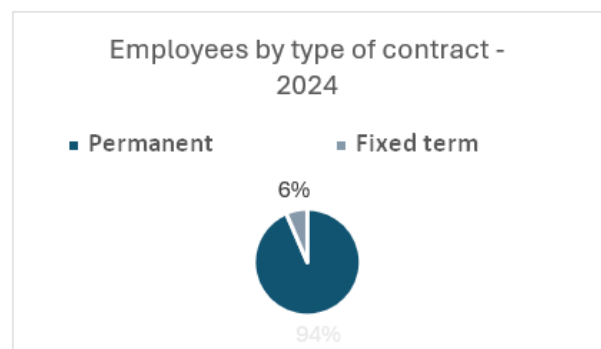
The management of employment policies and working conditions for all employees is governed by national regulations, sector-specific collective bargaining agreements (**CCNL for the Metalworking Industry and CCNL for Executives**), and a dedicated company-level supplementary agreement. There is a three-employee trade union representation within the company and a three-employee worker safety representation.

At the end of 2024, the **total company workforce amounted to 232 persons**, excluding non-employees (a total of 4 persons). This figure represents a **4% increase over 2023**. The composition does not include three permanent employees on permanent contracts (the directors) as well as one trainee/intern on a fixed-term contract in 2023 and one in 2024. In 2023, the company had other workers who were not employees - four contract workers: one female clerk and three male workers.

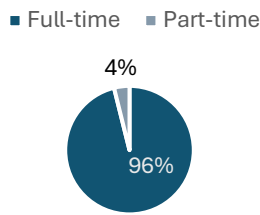


In terms of gender, **33% of workers are women, while the remaining 67% are men**. The graph shows an increase of 7 persons on the female side, from 70 to 77 workers (+10%), and an increase of 2 persons on the male side, from 153 to 155 workers (+1%). Although the growth is uniform in absolute terms, **in proportion there is an improvement in female representation, consistent with the objective of strengthening the gender balance within the organisation.**

In terms of contract type, there is a **predominance of permanent contracts**, 217 in both 2023 and 2024. This contractual arrangement applies to **94% of employees** (including apprentices), with 34% of these agreements signed with female personnel. Of note is the increase in fixed-term contracts, up from 6 to 15, signalling a possible intensification of temporary and project work.



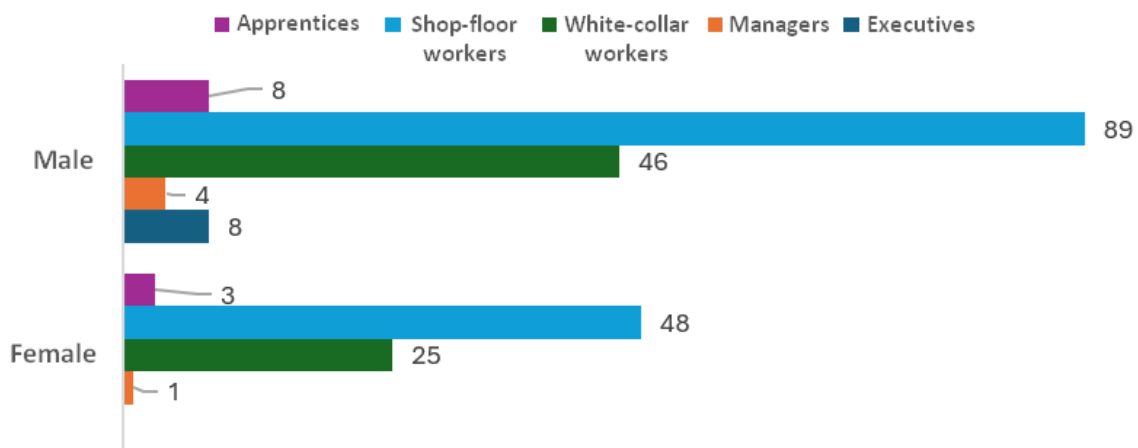
Employees by form of employment - 2024



In terms of employment type, full-time work remained predominant in 2024, applying to 96% of the workforce: 223 workers in 2024, compared to 216 in 2023. Part-time employment also showed a slight increase (from 7 to 9 individuals), reflecting a growing flexibility in work organisation, potentially in response to work-life balance or inclusion needs.

The **distribution of the workforce by category and gender** highlights some significant dynamics. The number of managers fell from 9 to 8, with the loss of the only female manager who retired. The number of middle managers increased from four to five, thanks to the entry of a woman. The number of office workers also grew, from 68 to 71, with an increase in the female component (from 20 to 25) and a slight decrease among men. Shop-floor workers, the largest category, increased from 130 to 137, with the number of women remaining stable and the number of men increasing. The number of apprentices fell from 12 to 11 (6 manual and 5 white-collar apprentices) due to a voluntary resignation, but there was an improvement in the representation of women.

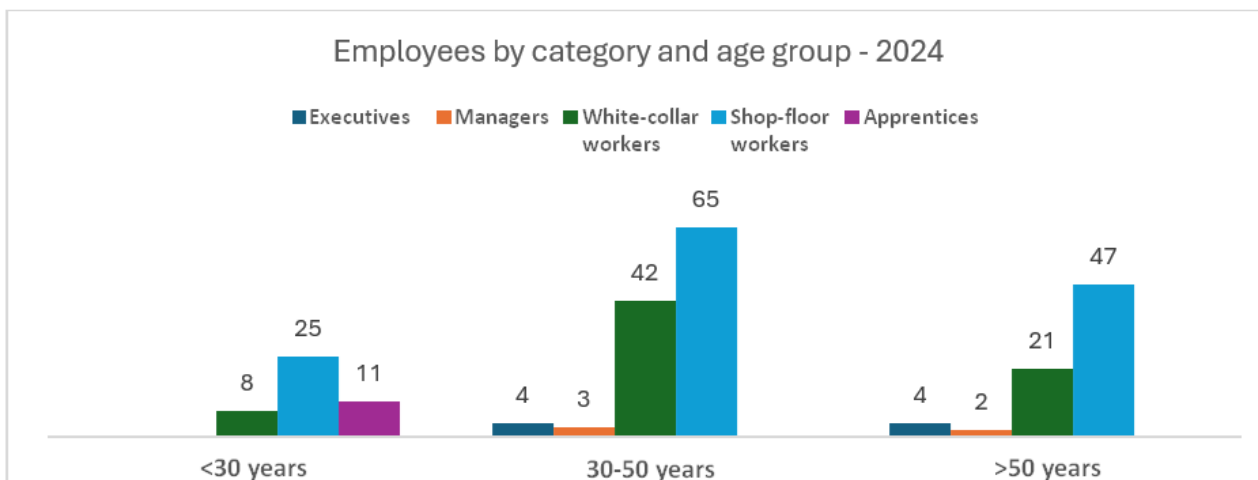
Employees by category and gender - 2024



With reference to the **age distribution** of employees by age group and job profile, 19% of the personnel were under 30 years old, 49% were in the 30-50 age group, and the remaining 32% were over 50 years old.

The general average age was 42 years with an average length of service of 10 years.

The graph below shows the distribution of employees by category and age group, showing a clear concentration of the workforce in the 30-50 age group, particularly among shop-floor workers (65 individuals) and white-collar workers (42 individuals). The under-30 bracket was notable for the significant presence of apprentices (11) and shop-floor workers (25), indicating a generational change taking place in the more operational roles. The over-50 bracket, on the other hand, showed a consolidated presence of shop-floor workers (47) and white-collar workers (21), confirming seniority in technical and administrative roles.



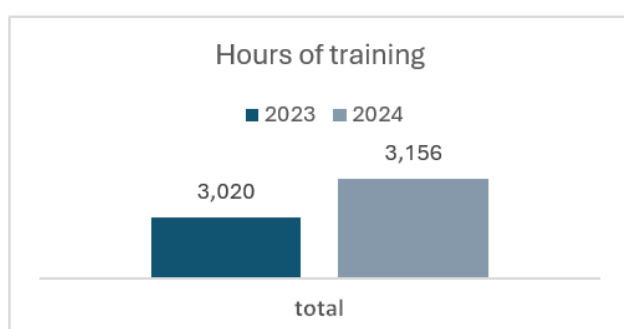
We comply with our obligations under Law 68/1999, which mandates the hiring of personnel belonging to the **protected categories** referred to in Article 18 and the disabled, in accordance with the quotas defined by the law itself: in 2024, our workforce consisted of 13 workers belonging to these categories: 2 office workers (1 woman and 1 man) and 11 manual workers (4 women and 7 men). There was an overall increase of 18% compared to the previous year, reflecting the continued commitment to promoting inclusion and diversity within our organisation.

Training and Skills Development

In an ever-changing labour market, we recognise the strategic value of **ongoing education** as a lever for both individual and collective success. For this reason, we have invested in **structured training programmes** aimed at enhancing professional skills, improving operational performance and promoting a corporate culture based on constant learning.

Our training courses are designed to meet three main objectives:

- **enhancing employees' skills:** we offer personalised learning opportunities focused on specific subjects aimed at enhancing the technical and soft skills of our employees;
- **improving individual and team performance:** we believe that the development of people is directly related to improving organisational efficiency and the quality of the corporate climate;
- **ensuring regulatory compliance and safety:** through constantly updated mandatory training, we ensure that every role is performed to the required standards.



In 2024, we delivered a total of **3,156 hours of training** (including health and safety and funded training), up 5% from the 3,020 hours delivered in 2023, with an overall **average of 13.6 hours per employee**. For more details, please refer to the sub-chapter "*Reporting Package*" within the Annex.

We promoted an extensive training programme targeting different areas of the company, with the aim of strengthening the technical, digital, transversal and management skills of the staff. Activities included:

- **Language skills:** basic and advanced English;
- **Digital and technology skills:** cyber-security, digitisation of production areas and digital and social media;

- **Transversal and soft skills:** motivational team building, public speaking, sustainable communication, problem solving;
- **Technical and production skills:** production planning, quality control, time and motion and energy efficiency;
- **Project and process management:** project and risk management;
- **Commercial and relational area:** negotiation and sales techniques.

These figures testify to the growing commitment to fostering skills development as a key element for the sustainability of our business model, organisational well-being and long-term competitiveness.

The training involved all roles within the company, with content structured on several levels.

The **technical training** in production involves both new recruits and senior employees. All are given a specific test for their department, which makes it possible to identify training needs and plan targeted actions. Following the training, a new test confirms its effectiveness, ensuring a genuine improvement in operational skills.

For **non-technical training**, the Human Resources area surveys the training needs of employees, offering courses such as English language training. In this activity we collaborate with the **Aldini-Valeriani Foundation**, which offers a catalogue of customisable courses that can be used in dedicated classes or integrated within existing groups. **Non-compulsory training** represents an opportunity for additional growth, with a modular offering of courses provided by the Aldini-Valeriani Foundation, designed to meet the different demands of employees.

The management and monitoring of training and professional activities are supported by dedicated digital tools: in production, each employee records his or her activities on a project Gantt chart, with periodic evaluations by line managers and the production manager; in the offices, the Jira system (Atlassian) is used, which enables individuals to manage and monitor their activities independently.

An **incentive plan to support professional development paths** is being developed, although it is not yet formally integrated. Currently, awards and internal recognitions are proposed by the department heads to the HR department, which evaluates the requests in relation to the company scenario and submits a proposal to the ownership, which makes the final decision. This process applies to both operational areas and offices, favouring a balanced and transparent recognition of human capital.

Attracting young talent

Attracting and enhancing the best talent is a strategic element for our development. The ability to identify, engage and develop valuable people is essential for sustaining competitiveness and growth in the long run. Cultivating talent means investing in skills, motivation and leadership, creating a dynamic, inclusive and performance-oriented professional ecosystem.

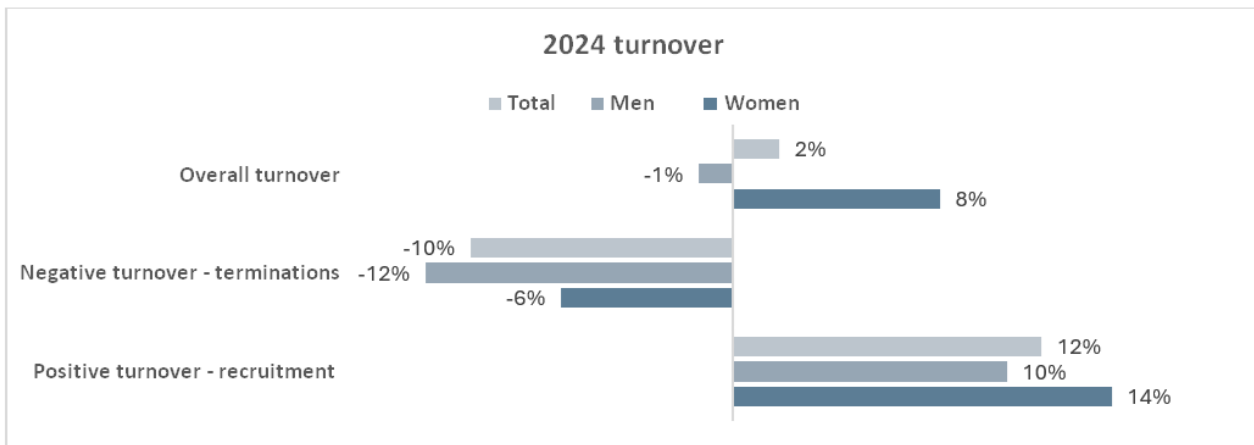
Based on the company's budget, the Head of Human Resources evaluates proposals for hiring and increasing personnel, formulating the annual staffing requirements plan. He also defines best practices for implementing gender equality in the selection and recruitment process. We adopt procedures that **prevent gender inequality** and counteract bias. Job descriptions are gender-neutral and recruitment is aimed at both men and women. During the interviews, no questions are asked about marriage, pregnancy or caring responsibilities.

The selected candidates are assessed in accordance with objective criteria, verifying that they meet the aptitude and professional requirements for the position to be filled.

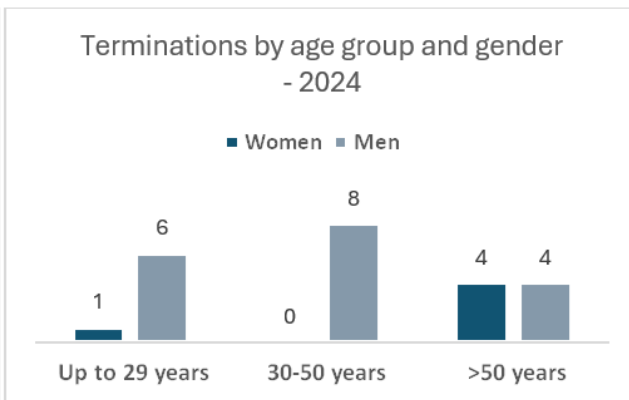
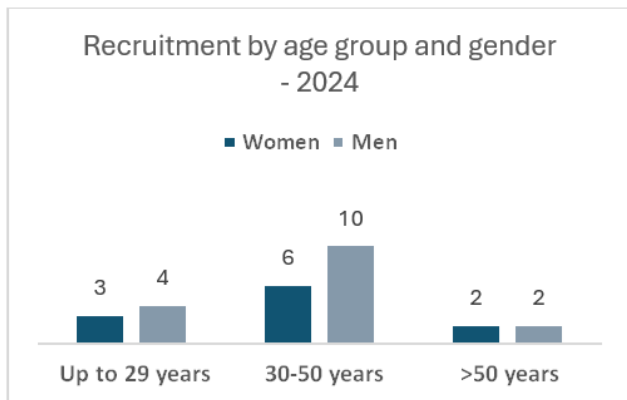
The year 2024 was a period of development for us, marked by a positive balance (+2%) of new starters³ and leavers. The outgoings consisted of 23 total terminations including **15 voluntary leavers** (2 women

³ In the overall count of entries and exits, interns were not taken into account: one addition and three terminations.

and 13 men), 5 **retirements**, 1 **end of fixed-term contract** and 2 for **other reasons**. Despite this, the company recorded an impressive **27 new recruitments during the year**.



Of the new recruits, 41% were women and 59% men. Most of the new personnel belonged to the 30-50 age group. Of the departures, 78% involved men and 22% women. Terminations of internships/traineeships were not taken into account, but only those concerning employees.



Diversity, Gender Equality and Inclusion

We recognise that **diversity, particularly gender diversity, offers a competitive advantage** and a fundamental value of our corporate identity. In this context, **gender equality is an essential principle for us**, not only from an ethical point of view, but also strategically, as a lever for innovation, sustainability and growth in the long term.

We promote an inclusive organisational culture, based on mutual respect, fairness and the enhancement of skills and talents, regardless of gender, age, orientation, background or other personal characteristics. We firmly believe that every person should feel welcomed, represented and enabled to contribute fully to the development of the organisation.

Although we operate in a male-dominated sector, we have decided to give **tangibility and measurability to our commitment** by adopting and initiating during 2024 the pathway to obtaining certification (scheduled for 2025) of a **Gender Equality Management System** compliant with the UNI/PdR 125:2022 practice. This system is based on a **Multi-year Strategic Plan**, internal policies and operational procedures aimed at promoting gender equity, ensuring equal opportunities and valuing diversity in all organisational processes. The initiative represents a firm commitment towards building an inclusive, transparent and socially sustainable working environment.

To consolidate a fair and inclusive corporate culture, we actively involve **management, employees and stakeholders** in the pursuit of equality goals. In addition, we regularly promote **training and awareness-raising activities** on topics such as ethics, inclusivity, gender equality, sustainability and work-life balance, fostering language and behaviour consistent with these values.

In the two-year period 2023-2024, **no incidents of discrimination were detected**, testifying to the effectiveness of the measures taken and the widespread commitment at all levels of the organisation.

Welfare and well-being at work

The well-being of workers is an essential element in creating a healthy, productive and sustainable working environment. Investing in people's physical, mental and social health significantly improves the **quality of life** at work and promotes increased engagement, motivation and overall organisational performance. This commitment also plays a strategic role in the attraction and retention of talent, as professionals are increasingly oriented towards choosing **companies that make people's well-being and development a core corporate value**, thus contributing to increased competitiveness in the labour market.

In addition, there is a portal (UGO) that allows all employees to be constantly updated on news, new staff additions, new company functions and organised events. In addition, it allows all bodies to have a showcase with which they can display their operations and let everyone know who does what.

Within the framework of the supplementary agreement, a **bonus** is provided for, consisting of EUR 300 for **welfare**, the distribution of which is subsequently modulated in line with the company's budget situation. Since 2017, a voucher block system has been in operation, and the vouchers can be spent in various ways such as online purchases, fuel and shopping vouchers; this solution was chosen following a discussion with the trade union and an internal survey to identify employees' preferences. We have earmarked a **minimum share of 0.01% of annual turnover to set up a ceiling specifically dedicated to corporate welfare initiatives**, equating to a total of EUR 57,750. The initiative reflects our willingness to invest tangibly in people's well-being, promoting a fairer, more inclusive and quality-of-life oriented working environment.

During the Covid-19 emergency, **remote working** was implemented as a mandatory measure; previously, we had already implemented teleworking; however, the manufacturing nature of the activities limited its deployment. Currently, remote working is only provided for by law for vulnerable workers or those who have children under the age of 14.

As far as **work-related stress** is concerned, every two years, a specific survey is carried out, supplemented by **individual meetings with a company psychologist**; the composition of the participants varies annually and includes workers from different tasks and departments, in order to ensure a complete and representative view of the working conditions within the organisation.

For the efficient management of attendance, absenteeism, training and medical examinations, as well as for the dissemination of internal communications, a specific portal is used, supported by a company notice board that enables the timely and transparent sharing of information.

Finally, there are **exclusive benefits** such as a company car, assigned to executives as well as department and sales network managers, a company telephone and a laptop PC, the use of which is determined by the IT manager; the provision of these benefits is linked to necessity criteria, such as on-call time and the role held, and is included in the remuneration package. In the event that benefits are allocated after the start of employment, a formal notice is issued specifying the allocation.

During the reporting period, we ensured access to **parental leave** in accordance with current legislation, while promoting policies to support work-life balance. Parental leave was taken by workers in 2024 (9, including 7 paternity leaves), reflecting a progressive cultural change towards sharing family responsibilities. We are committed to protecting the rights of parents, offering operational flexibility and

measures to support their return to work, with the aim of creating an inclusive working environment that is attentive to the personal needs of its employees.

At the end of 2024, the Human Resources area was strengthened and, thanks to the entry of the HR manager, we embarked on a path of company climate assessment, introduction of Smart Working and goal-oriented policies with the aim of improving job retention and the company's attractiveness to new job candidates. The actions that the new Human Resources function intends to undertake will mainly be based on a greater focus on interpersonal relations, starting from the top levels and cascading down to the first production lines, in order to identify any causes related to the corporate climate or deficits in organisational well-being. A key step will also be targeted training of line managers (some of them recently appointed) in order to create greater awareness of their role as people managers and to improve their ability to take care of organisational relationships, on the basis also of the results of the climate survey carried out in December 2024.

The safety of our employees

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5 | GRI 403-6 | GRI 403-7 | GRI 403-8 | GRI 403-9 | GRI 403-10

The safety and well-being of our people are **key values**, deeply rooted in our organisational culture. We are committed to ensuring **safe, healthy and inclusive working environments**, where each individual can work in conditions of serenity, protection and respect.

Prevention is the **core principle of our occupational health and safety strategy**. With this in mind, **we have adopted a Health and Safety Management System** that complies with **ISO 45001:2018** and relevant national legislation (**Legislative Decree 81/2008**), with the aim of ensuring a safe, secure and constantly improving working environment. All employees and non-employees are covered by these systems.

Through the adoption of this structured system, we are promoting a corporate culture oriented towards responsibility, active involvement of people and continuous monitoring of risk conditions, protecting the physical and psychological well-being of our employees.

Our commitment translates into a series of **concrete initiatives**, geared towards promoting an open, participative and transparent safety culture. **We constantly inform and train staff** about specific risks, procedures to be followed and best practices through courses, regular meetings with Workers' Health & Safety Representatives, written documentation and digital tools. The aim is to make everyone aware of the active and conscious role they can play in prevention. In order to further promote the health and safety of staff, supplementary health insurance is in place.

Within the **Risk Assessment and Method Statement** we divided the population of workers exposed to hazards in the company into three main categories:

- 1) Direct (operational or 'line') and indirect (technical-administrative services, auxiliary, logistics, etc.) employees in the production process;
- 2) Contractors in charge of carrying out continuous or ad hoc activities within the workplace (maintenance, construction and assembly work, etc.);
- 3) Third parties occasionally present within the plant or premises where the activity takes place (visitors, interns, etc.) and start-ups.

In addition, the company Risk Assessment and Method Statement identifies five categories of hazards: generic, organisational, process, specific and ergonomic. The risk assessment analyses these hazards in relation to the tasks identified at the production site, also taking into account the individual workstations where these tasks are carried out. Within the set of categories identified, 31 hazard types were considered. The processes available to workers to remove themselves from work situations hazardous to health and safety are based on Articles 18 and 19 of Legislative Decree No 81/2008. These

processes are an integral part of the low-risk and high-risk training that is provided as part of the training courses defined for work activities.

Fundamental to ensuring safe working environments is the collaboration between the company's in-house Prevention and Protection Service, the Workers' Health & Safety Representatives and the Occupational Health Physician. The latter, as required by Italian law, carries out **health surveillance** on the basis of specific occupational risks, draws up the annual health report, participates in risk assessment and collaborates in the definition of prevention measures.

Information that activates system mechanisms aimed at detecting and managing potentially dangerous situations falls into five main categories:

1. **Injury and near miss reports:** recorded events that highlight critical operational issues and lead to the activation of analyses and corrective actions;
2. **Risk analysis:** systematic analysis of the hazards present in the workplace, conducted for each type of risk identified;
3. **Integrated internal audits:** periodic cross-functional audits on quality, safety and the environment, aimed at monitoring the compliance and effectiveness of the management system;
4. **Regulatory monitoring:** quarterly analysis of the applicable legislative requirements in the field of occupational health and safety, with related updating of the internal documentation;
5. **Health report of the Occupational Health Physician:** a periodic document highlighting critical issues arising from health surveillance and proposing possible corrective or improvement measures.

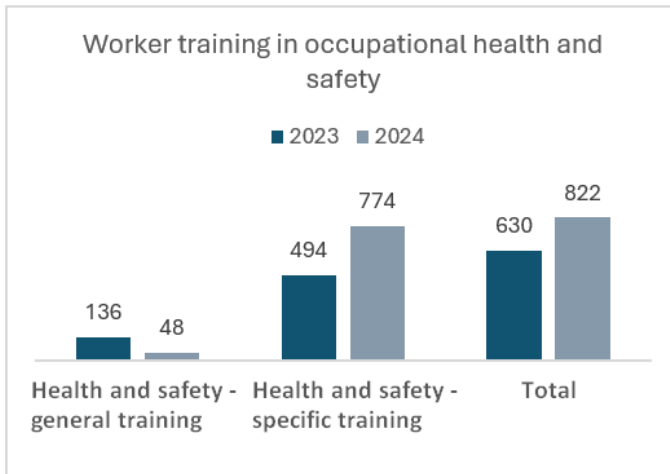
We actively encourage everyone to report potentially dangerous situations and offer suggestions for improvement, thus fostering a participatory approach to safety management. We provide workers, department/office managers and safety officers with access to the 'QualiWare' management system through which they can report to the company's Prevention and Protection Service any hazardous situations, medical treatment given, near misses and accidents. Reports are taken up and managed through system actions for correction, improvement and prevention. In addition, there is an internal **Whistleblowing** portal where workers can anonymously report events and/or circumstances that they consider irregular and/or unlawful.

Training and a Culture of Safety

We attach great importance to protecting the health and safety of our people, **by continuously investing in specialised training** in order to ensure safer, more aware and resilient working environments.

Training is one of the central tools of our preventive strategy. To this end, we offer employees targeted training courses, structured according to the actual risks present in the different operational contexts. Training activities cover a wide range of topics, including:

- general basic training;
- specific training and related updating;
- course for Workers' Health & Safety Representatives.



During **2024**, we delivered **822 total hours of safety training**, recording a **30% increase over the previous year**. This increase can be attributed to the implementation of periodic refresher programmes, aimed at maintaining the effectiveness and relevance of prevention skills. The increase was due to the 57% increase in specific training over 2023. This training involved 120 people in 2024 and 89 in 2023.

We believe that continuous training is a strategic investment for the collective well-being and sustainability of our activities.

For this reason, we will continue to strengthen initiatives aimed at raising awareness and responsibility among all the people working in our workplaces, promoting a widespread and participatory safety culture.

Occupational accidents

In the context of our production activities, occupational hazards that pose a risk of accidents with serious consequences involve working at heights, electrical hazards, explosive atmospheres (ATEX), pressure vessels and handling of suspended loads. These hazards were identified by means of a detailed risk assessment, conducted for each task and workstation, in order to ensure a timely and targeted analysis of the operating conditions.

During 2024, we recorded **6 non-serious occupational accidents**, up slightly from **3 cases recorded** in 2023. Although there was a slight increase, no serious accidents were recorded, confirming the effectiveness of the prevention and protection system adopted. Risk mitigation actions were defined and implemented on the basis of the risk indices that emerged from the assessment, guided by principles of priority and proportionality in relation to the identified criticality.

All measures taken, including technical, organisational and training measures, are tracked and monitored through the company's 'Qualiware' management system, where the updated and complete list of corrective and preventive actions implemented is available.

Workplace safety is a top priority for us: during the reporting period, measures were implemented to reduce the specific risks associated with certain critical stages of the production process. Among the most relevant actions is the inclusion of a **weight balancer on the production line of plant terminals**, with the aim of reducing the NIOSH index and the risk of biomechanical overload for operatives.

A **new technical gas distribution system for the plant** was also completed, aimed at **mitigation of risks of fire and explosion**. At the same time, a **flammable refrigerant detection system** was implemented in the refrigeration department, accompanied by the **upgrading of test areas**, to increase safety levels in high-risk operations.

Finally, **the testing stations for HVAC terminal units were upgraded**, through the **installation of safety light barriers**, aimed at reducing the electrical and mechanical risks for operating personnel. These interventions are part of the broader health and safety management system, guided by criteria of proactive prevention and continuous improvement.

It is important to emphasise that **in the two-year period 2023-2024 there were no cases of occupational diseases or work-related deaths.**

Looking to the future, **we will continue resolutely to pursue the continuous improvement of our health and safety performance**, aware that the protection of people is a non-negotiable principle and an integral part of our corporate social responsibility.

Our ties to the local area

GRI 2-28 | GRI 413-1

"Our ties to the local area are a fundamental pillar of our sustainability strategy. Operating in a local context means taking responsibility for actively contributing to the economic, social and environmental development of the communities in which we are present."

Through continuous dialogue with local stakeholders, support for shared value initiatives and the promotion of transparent and collaborative practices, we strive to generate positive and lasting impacts.

Our goal is not merely to be an economic player, but a reliable partner to the local area—one that listens, engages, and creates value in an inclusive and sustainable way.

Partnerships with University Bodies

We are actively engaged in structured partnerships with the academic world, in particular with two departments of the **University Alma Mater Studiorum of Bologna**, in projects aimed at technological innovation, energy efficiency and the development of sustainable solutions. All partnerships with university departments are formalised through contractual agreements lasting one or two years, and involve the joint participation of researchers, students completing their dissertations and technical staff of the company. These synergies offer a strategic opportunity to feed a constant flow of expertise, experimentation and technology transfer.

Synergy with the Department of Industrial Engineering (industrial technical physics)

We collaborate with Prof. Gianluca Morini, professor of energy engineering and the person responsible for energy efficiency at the University. The projects shared with his research group focus on technical-performance aspects such as efficiency, dynamic simulation and improving the performance of our machines. The broader objective of these activities is to generate product innovation pathways and develop applied case studies that can lead to the creation of tools to support designers and provide technical training.

Also part of this collaboration is the relationship with the **startup Dynergo**, founded by two young researchers from the same department. Dynergo is involved in dynamic simulations and advanced analyses aimed at optimising plant installations, improving indoor comfort, reducing energy consumption and lowering emissions. The relationship with Dynergo is currently at an embryonic stage, but is part of a broader vision of **Open Innovation** oriented towards sustainability.

The Integration of Design with the Department of Architecture - Engineering and Architecture

We also collaborate with Prof. Giovanni Celaschi, a lecturer working in the field of design and innovation. The focus of the partnership is the development of projects related to the theme of open innovation, with a particular focus on the integration of technology, architecture and environmental sustainability. The consulting activity aims to provide strategic support to the Board of Directors in innovation-related decisions, to support the Advanced Design Unit in innovative product development processes and to collaborate with the Marketing and Communication team in the management of events and external engagement activities.

Participation in Industry Associations

We are actively involved in trade associations that represent and promote the HVAC industry on a national and European level.

In particular, we are a member of **Assoclisma**, a reference association within the **Anima Confindustria** system, which brings together the main manufacturers in the sector. By participating in technical meetings, both face-to-face and online, we contribute to ongoing discussions on technology and industry regulations.

At the European level, we are a member of **Eurovent**, which performs a dual function: it is both a recognised technical authority and the main certification body for HVAC product performance. Membership of Eurovent guarantees the automatic certification of our machines, a strategic and distinguishing factor in our target market.

At the local level, since 2023 we have been associated with **Confindustria Emilia**, with which we have initiated closer and more constructive relations. Amongst the initiatives, we would like to highlight the organisation of a **factory tour** at our headquarters, as part of a presentation day aimed at interested members, with the objective of promoting the exchange of experiences, networking and the celebration of industrial excellence in the area.

Supporting the Local Area and Social, Cultural and Environmental Impact Initiatives

We actively support social impact initiatives through contributions and partnerships with local and national bodies. Amongst these, we support **Ageop** and the **Antoniano** for solidarity projects and for the canteen service for people in need. We also collaborate with the **Primary School of San Pietro in Casale**, as part of a multi-year project, called INclusionone, which provides tailored support for children with disabilities.

For years we have been actively participating in initiatives with the **Cineteca di Bologna**, supporting important cultural events such as the launch of the **Teatro Modernissimo** and the **Cinema Under the Stars** festival. This partnership, which is renewed annually, enhances the historical and cinematic heritage of the area, with new initiatives being planned for the coming year.

We have also begun supporting the **protection of a biodiversity conservation area** located near our facility, thanks in part to the contribution of a nature photographer involved in efforts to promote the local wildlife heritage.

Finally, we have been working for many years with the **Savena and Reno canals Consortium**, an organisation that looks after the maintenance and protection of water in order to prevent flooding. The synergy comes from the conscious use of water resources in our production processes. Together with the Consortium, we take part in the annual **Notte Blu** event, dedicated to celebrating water and the city of Bologna's rich history of water management.

PLANET: RESPONSIBILITY FOR THE ENVIRONMENT

Future Goals and Objectives



ISSUE	WHERE WE ARE TODAY	FUTURE GOALS
Energy management	<ul style="list-style-type: none"> Initiation of electricity procurement agreement with GDO submission Installation of electricity substations Optimisation of compressed air system 	<ul style="list-style-type: none"> 100% electricity supply from renewable sources by 2030 Achievement of ISO 50001 certification and identification of an Energy manager
Atmospheric emissions and climate change	<ul style="list-style-type: none"> Start of the pathway for CO₂ emissions accounting 	<ul style="list-style-type: none"> Development of a certified study in accordance with UNI EN ISO 14064:2019 or the GHG Protocol – CFO analysis of Scope 1, 2, and 3 emissions Increase the number of electric charging stations in the company
Product environmental impact and materials management	<ul style="list-style-type: none"> Carrying out of studies for the quantification of product emissions in accordance with UNI EN ISO 14025 -EPD 	<ul style="list-style-type: none"> Use of paper from FSC-certified supply chains
Waste management	<ul style="list-style-type: none"> Rag reuse initiatives for waste reduction 	<ul style="list-style-type: none"> Definition of a waste reduction plan
Sustainable mobility	<ul style="list-style-type: none"> Appointment of a Corporate Mobility Manager and development of a Home–Work Travel Plan 	<ul style="list-style-type: none"> Updating the PSCL

Energy and energy efficiency

GRI 302-1 | GRI 302-2 | GRI 302-3

We carry out our activities with a constant focus on environmental protection, actively striving to reduce environmental impacts and to use natural resources responsibly. We are aware of the crucial role our industry plays in reducing CO₂ emissions and combating climate change, and we therefore orient our strategies towards innovative and highly efficient solutions.

In recent years, we have undertaken several initiatives to improve the energy efficiency and technological innovation of our plants. In particular, **we carried out the revamping of the fan coil department**, which included **replacing traditional lighting fixtures with LED fixtures**, which are more efficient and sustainable. To support intelligent consumption management, **we installed an automatic interior lighting control system**, which allows the lighting points to be modulated in line with the ambient brightness.

In 2021 **we renewed the compressed air generation system**, replacing a fixed-speed compressor with a new 37 kW electric model, **equipped with an inverter for dynamic load modulation**, with consequent benefits in terms of energy savings.

Finally, in 2023 **we replaced our fleet of electric forklift trucks**, introducing new generation vehicles, **featuring higher operational performance and energy efficiency levels**. As part of our commitment to sustainable mobility, we have implemented measures required by national legislation for organisations with over 100 employees located in regional capitals, metropolitan cities, provincial capitals, or municipalities with more than 50,000 inhabitants. Specifically, we have **appointed a Corporate Mobility Manager and developed a Home-Work Travel Plan**, aimed at promoting more sustainable commuting practices, optimising employee travel between home and workplace, and reducing the environmental impact associated with transport.

As of 2019, we are among the entities obliged to draw up an energy diagnosis in accordance with the provisions of Leg. Decree 102/2014, and so we prepared our **Energy Diagnosis** (updated in 2022) in accordance with the regulatory requirements for our business category. This strategic tool has proven to be crucial in identifying areas where energy efficiency can be improved within our processes. Through the analysis of energy consumption and performance, we have identified several opportunities for intervention, which will allow us to optimise energy management and implement technical solutions geared towards reducing consumption.

Make Up of Energy Requirements

The **electricity needs** of our plant are covered almost entirely by **renewable sources**, thanks to the **two photovoltaic systems installed on the roof of Plant One**.

The first system, with an output of **807.5 kWp**, is connected to the electricity grid; the energy produced by this installation is **delivered to the grid through the on-site exchange mechanism**, contributing significantly to the balance between energy input and withdrawn.

The second system, with an output of **136.8 kWp**, is **entirely dedicated to the self-consumption** of the plant, ensuring direct and immediate coverage of the company's consumption.

Through these investments, we have strengthened our commitment to a more sustainable production model, reducing dependence on external energy sources and making a concrete contribution to the ecological transition.

Fuel consumption broken down by renewable and non-renewable source (Gj)⁴	2024
Natural gas combustion	6,453
Diesel combustion (excluding automotive)	3
Petrol Consumption - Cars	552
Diesel Consumption - Trucks	436
Diesel Consumption - Cars	1,360
Total non-renewable sources	8,804
Consumption of purchased energy⁵	2024
Purchased electricity	3,721

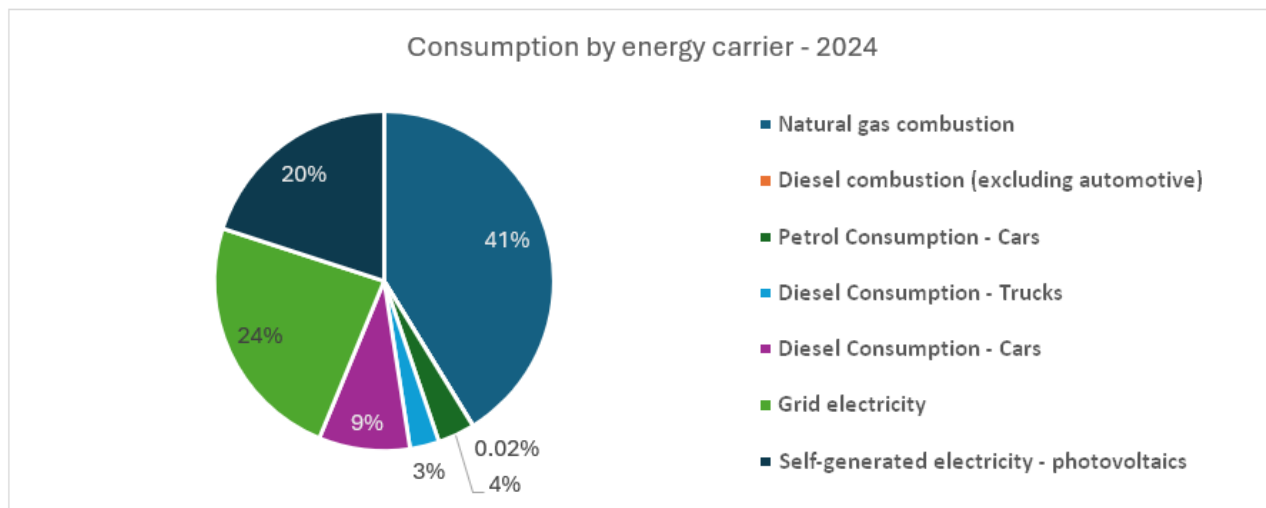
⁴ Source conversion factors used:

- Natural gas and diesel oil: IPCC 2021 GWP 100
- Petrol: ISPRA

⁵ Source conversion factors used:

- Electricity: IPCC 2021 GWP 100

Total purchased energy consumed (non-renewable)	3,721
Self-generated electricity	2024
Total self-generated electricity (renewable from photovoltaics)	3,129
Total energy consumed within the organisation	15,654



The **consumption of electricity** (6,851 GJ, including electricity from photovoltaics) is mainly attributable to core production activities, i.e. the machining and processes that form the heart of our business. These activities, closely linked to the structure of the production process, constitute the bulk of our energy needs.

In 2024, electricity consumption accounted for approximately 44% of the plant's total energy use, with 20% of that electricity self-generated from photovoltaic sources.

Our plant is also supplied with **methane gas** through two Redelivery Points:

- one that feeds the heating plant dedicated to heating Plant One;
- one serving the thermal power plant at Plant Two, as well as supplying energy to the **utilities in the canteen** (cooking and hot water production), the **steam generator** and the **boiler in the laboratory**, which performs both heating and hot water production functions.

The use of **natural gas** is mainly intended for **heating purposes**, i.e. for room heating, the **production of steam for humidification of climate chambers** and **company catering activities**.

The **consumption of natural gas** (6,453 GJ), which accounts for 41% of total energy consumption, is mainly due to the heating of the plant, and only to a small extent to canteen activities and the production of steam used in the climate chamber.

In addition to electricity and natural gas, the **energy carriers** used in our operations also include **fuel oil and petrol**, which are used to power the company vehicle fleet.

In particular, the **consumption of diesel fuel** (1,799 GJ) is mainly attributable to the use of a vehicle dedicated to delivering finished products within the Emilia-Romagna Region, and to a lesser extent, to the use of some company cars.

The **petrol consumption** (552 GJ), on the other hand, relates exclusively to company vehicles assigned to employees for operational and travel needs.

In the overall energy mix, liquid fossil fuels also contribute, albeit marginally, to our needs. In particular, in 2024, diesel accounted for around 11% of total energy consumption, while petrol accounted for 4%.

Energy intensity is an indicator that measures an organisation’s energy efficiency and, in a business environment, reflects the ratio of energy consumption to a unit of output. This parameter is particularly useful for assessing how much energy is used to generate a given production output.

We calculated our energy intensity in relation to the quantity of products produced, expressed in tonnes, with specific reference to the **chiller** and **fan coil** lines.

The results show an intensity of **0.0029 GJ/ton** for chillers (45.87 tonnes) and **0.009 GJ/ton** for fan coils (141.25 tonnes).

Greenhouse Gas Emissions

GRI 305-1 | GRI 305-2 | GRI 305-3 | GRI 305-4

Monitoring and management of emissions is a crucial aspect of Galletti's environmental sustainability journey. Through a structured, regulatory-compliant approach, we strive continuously to control and reduce our climate-altering gas emissions by integrating continuous improvement processes and internationally recognised certification tools.

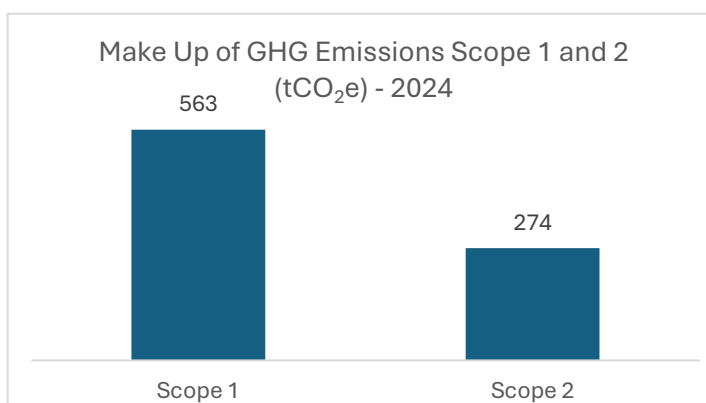
We carry out annual monitoring of three emission points through specific sampling, ensuring continuous environmental performance monitoring. With regard to F-GAS, we set ourselves apart by carrying out work exclusively by certified personnel, ensuring compliance with current regulations. In addition, we manage the registration of equipment for direct sale, as well as the registration of quotas for imported machines, ensuring full compliance and traceability in the area of fluorinated gas management.

With a view to continuous improvement, with particular attention to our environmental impacts, we decided to conduct a **Carbon Footprint of Organisation analysis in accord with UNI EN ISO 14064-1:2018**. The aim is to quantify rigorously the impact of our normal activities by measuring the Greenhouse Gas (GHG) emissions generated during the year 2024.

The study, which is currently being finalised at the time of writing, measured both **direct emissions generated by the company (Scope 1)** - resulting mainly from the combustion of fuel in the company's plants and vehicles - and **indirect emissions**, subdivided into **Scope 2⁶**, relating to energy purchased and consumed, and **Scope 3**, which includes other indirect emissions attributable to:

- transportation for the purchase of raw materials, product distribution, employee commuting, and transportation of plant waste;
- other sources such as, for example, emissions from the production of purchased goods, energy sources, outsourced processing and waste disposal;
- finally, the use of the products sold (use phase).

During 2024, the “other indirect emissions” under Scope 3—amounting to 52,639,584 tCO₂e,—represented the predominant share of the company’s total impact (approximately 100%), and were mainly attributable to the product use phase. **The remaining emissions** totalled **837 tCO₂e**, divided between **Scope 1** (563 tCO₂e, 67%) and **Scope 2** (274 tCO₂e, 33%), the latter relating to imported energy.



⁶ The emissions have been reported using only the location based approach.

The **emission intensity** is an indicator that measures the environmental efficiency of an organisation in relation to greenhouse gas (GHG) emissions. In 2024, the emission intensity (calculated on the total Scope 1 and 2) amounted to 0.055 per 45.87 tonnes of chillers produced and 0.169 per 141.25 tonnes of fan coils produced.

Waste Management

GRI 306-1 | GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5 | GRI 306-6

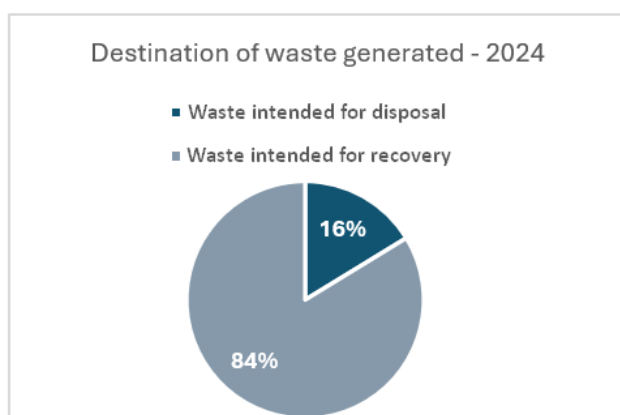
We translate our commitment to the environment into responsible and strict management of the waste generated by our activities. All waste is stored in dedicated areas and entrusted exclusively to authorised transporters and disposers holding the necessary provincial authorisations. We ensure traceability and regulatory compliance of operations through registration in the Modello Unico di Dichiarazione ambientale (MUD), as required by Italian law. In order to improve the management of the waste generated, dedicated software is used (RENTRI, in accord with Italian regulations).

In the course of our production and maintenance activities, we generate a variety of **waste types**. These include plastic process waste, such as components, sheaths, gaskets and casings made of PVC, ABS and rubber; metal residues from the processing of sheet metal, copper, brass, aluminium and heat exchangers. We also produce waste from maintenance activities, including waste oil, brazing fluxes and contaminated scrap.

Office and packaging waste such as paper, cardboard, wood and mixed packaging or packaging containing hazardous substances are also present. We regularly handle toners, used cartridges, WEEE (e.g. computers, printers, telephones, computer accessories), defective or obsolete electronic equipment, failed compressors and electronic printing materials such as ribbons and waste cartridges.

Empty cylinders of technical gases (LPG, R410A, R407C, R454), alkaline and tool batteries, liquid waste from testing and maintenance activities (such as condensation or cooling water), electrical cables, conduits, plasterboard and resins from softening plants complete the picture. All of this waste is managed in compliance with the regulations in force, with particular attention to the distinction between hazardous and non-hazardous waste and their correct final destination.

In this document, we present data for the year 2024 only, as reported in the Modello Unico di Dichiarazione Ambientale (MUD), with a distinction between hazardous and non-hazardous waste.



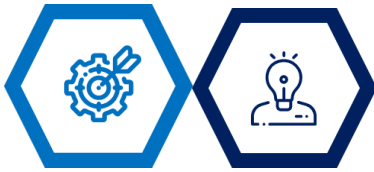
During 2024, **84% of the waste generated**, amounting to 460.53 tonnes, **was sent to recovery operations**, including the recycling of cardboard packaging and some sheet metal components, confirming our firm commitment to a circular economy model and our desire to minimise the environmental impact of our production processes. The remaining 16% was sent to landfill, and this is an area where we are continuing to work to improve yet further our environmental performance.

To support an internal awareness-raising process, we prepared an information brochure on correct waste management practices, which was distributed throughout the company to encourage more conscious and responsible behaviour by all personnel. In line with this vision, only aluminium bottles are used in company premises - including those for guests - confirming our focus on reusable and environmentally friendly solutions.

Almost all of the **waste generated by our activities**, approximately **99%**, is **non-hazardous waste**. These are mainly plastics, metals, paper, cardboard, wood, mixed packaging, obsolete electronic components and residues from mechanical processing and routine maintenance. Only a small part of the waste is classified as hazardous, as it contains substances or components that require specific handling, such as some empty gas cylinders, used oil or spent toner cartridges. These wastes are in any case processed and managed by authorised entities in accordance with current legislation, guaranteeing traceability, safety and environmental compliance.

Waste generated (t)	Quantity 2024
Total non-hazardous waste	456
Total hazardous waste	4.53
Total waste	460.53

OUR GOALS FOR THE FUTURE



COMPANY - PRODUCT, INNOVATION & SUPPLY CHAIN

ISSUE	WHERE WE ARE TODAY	FUTURE GOALS
Privacy and data security	<ul style="list-style-type: none"> Formalisation of a Data Security Management Policy Drawing up of a disaster recovery plan 	<ul style="list-style-type: none"> Formalisation of an external policy for suppliers for data security management and related training Completion of IT training for all staff
Business transparency and integrity	Publication of ESG initiatives by means of the First Sustainability Report (voluntary)	<ul style="list-style-type: none"> Publication and annual update of the Sustainability Report
Customer satisfaction	Constant monitoring of customer satisfaction and management of critical issues	<ul style="list-style-type: none"> CRM implementation and structured customer satisfaction questionnaire
Fight against corruption	Monitoring the risks of active and passive corruption	<ul style="list-style-type: none"> Implementation of Model 231 and Anti-Corruption Policy Employee training and awareness-raising on the issue
Responsible governance	<ul style="list-style-type: none"> Drafting the Strategic Sustainability Plan 2024-2028 Redefining the Mission, Vision and Corporate Values 	<ul style="list-style-type: none"> Formalisation of a Sustainability Committee Drafting of a Code of Ethics Implementation of a methodology for defining Macro Objectives called OKR: Objectives and Key Results
Risk and impact management	Internal and external materiality analysis	<ul style="list-style-type: none"> ESG risk mapping and analysis
Supply Chain Management	Implementation of a structured and organic supplier management procedure taking into account environmental criteria	<ul style="list-style-type: none"> Implementation of a supplier evaluation and approval plan based on compliance with environmental and social criteria Development of supplier code of conduct
Innovation, research and development	<ul style="list-style-type: none"> Launch of the first range with zero GWP Strategic partnership between the company and the University of Bologna for the carrying out of research projects 	<ul style="list-style-type: none"> Starting of circularity projects



PEOPLE & COMMUNITY



ISSUE	WHERE WE ARE TODAY	FUTURE GOALS
Talent acquisition and retention	Strengthening of relations with leading universities to launch university internships/placements	<ul style="list-style-type: none"> • Launching of a university internship/placement every two years
Diversity, inclusion and equal opportunities	<ul style="list-style-type: none"> • Board and Top Management training on "diversity, inclusion and equal opportunities" • Implementation of a Gender Equality Management System in the company 	<ul style="list-style-type: none"> • Awarding of gender equality certification in accord with UNI/PdR 125:2022 • Employee training on "diversity, inclusion and equal opportunities"
Relationship with the Local Area and Communities	Implementation of initiatives in partnership with local entities	<ul style="list-style-type: none"> • Promotion/sponsorship of at least two events per year for cultural, sporting, social etc. purposes.
Development of employees' skills	Implementation of transversal training, on soft and hard skills	<ul style="list-style-type: none"> • Expansion of ESG training • Setting up a skills development programme
Welfare and well-being at work	Implementation of employee welfare initiatives that ensure work-life balance	<ul style="list-style-type: none"> • Implementation of initiatives that foster a sense of belonging to the company and strengthen teamwork • Formalisation of corporate welfare plan with a dedicated budget • Development of the first survey on organisational well-being
Occupational health and safety	<ul style="list-style-type: none"> • Implementation of the ISO 45001 occupational health and safety management system • Ongoing training and information on health and safety risks 	<ul style="list-style-type: none"> • Development of an information video on Occupational Health and Safety • Setting up <i>lean manufacturing</i> stations • Implementation of a survey on work-related stress • Further investment in information and training on the subject



ISSUE	WHERE WE ARE TODAY	FUTURE GOALS
Energy management	<ul style="list-style-type: none"> Starting of the Renewable Electricity Supply Contract with Guarantees of Origin (GO) Installation of electricity substations Optimisation of compressed air system 	<ul style="list-style-type: none"> Obtaining of guarantees of origin (GO) 100% electricity supply from renewable sources by 2030 Achievement of ISO 50001 certification and identification of an Energy manager
Atmospheric emissions and climate change	<ul style="list-style-type: none"> Start of the pathway for CO₂ emissions accounting 	<ul style="list-style-type: none"> Development of a certified study in accordance with UNI EN ISO 14064:2019 or the GHG Protocol – CFO analysis of Scope 1, 2, and 3 emissions Increase the number of electric charging stations in the company
Product environmental impact and materials management	<ul style="list-style-type: none"> Carrying out of studies for the quantification of product emissions in accordance with UNI EN ISO 14025 -EPD 	<ul style="list-style-type: none"> Use of paper from FSC-certified supply chains
Waste management	<ul style="list-style-type: none"> Rag reuse initiatives for waste reduction 	<ul style="list-style-type: none"> Definition of a waste reduction plan
Sustainable mobility	<ul style="list-style-type: none"> Appointment of a Corporate Mobility Manager and development of a Home-Work Travel Plan 	<ul style="list-style-type: none"> Updating the PSCL

ANNEX

REPORTING PACKAGE

In this section, we provide details of the GRI indicators used in the document for greater clarity and comparability of ESG performance over the two-year reporting period.

GRI 201-1 Economic value directly generated and distributed

Economic value directly generated and distributed	2024	%
Economic value generated and received	62,047,378	100.0%
Economic value generated	61,729,708	
Economic value received	317,671	
Distributed economic value	57,536,767	92.7%
Suppliers	41,771,558	67.3%
Directors and auditors	287,040	0.5%
Human resources	13,267,801	21.4%
Banks and other lenders	885,018	1.4%
Public administration	1,266,005	2.0%
Local community	59,346	0.1%
Economic value retained	4,510,611	7.3%

GRI 302 - Energy

Fuel consumption broken down by renewable and non-renewable source (Gj)⁷	2024
Natural gas combustion	6,453
Diesel combustion (excluding automotive)	3
Petrol Consumption - Cars	552
Diesel Consumption - Trucks	436
Diesel Consumption - Cars	1,360
Total non-renewable sources	8,804
Consumption of purchased energy⁸	2024
Purchased electricity	3,721
Total purchased energy consumed (non-renewable)	3,721
Self-generated electricity	2024
Total self-generated electricity (renewable from photovoltaics)	3,129
Total energy consumed within the organisation	15,654

⁷ Source conversion factors used:

- Natural gas and diesel oil: IPCC 2021 GWP 100
- Petrol: ISPRA

⁸ Source conversion factors used:

- Electricity: IPCC 2021 GWP 100

GRI 305 - Emissions

GHG emissions Scope 1 - tCO ₂ e ⁹	2024
Stationary combustion	395
Mobile combustion	168
Direct emissions into the atmosphere	0
Total Scope 1	563

GHG emissions Scope 2 - tCO ₂ e ¹⁰	2024
Purchased electricity	274
Total Scope 2	274

Total GHG emissions (Scope 1 and Scope 2)	837
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GRI 306 - Waste

Hazardous waste (t)	Waste description	Waste destination	2024
13 01 11*	Waste oils (especially from maintenance)	Recovery	0.35
14 06 03*	Brazing flux - maintenance waste	Recovery	1.16
15 01 10*	Empty metal packaging that has contained hazardous substances	Recovery	0.42
15 01 11*	Spray cans-Oxygen cans-Empty R410A cylinders-Empty R407C cylinders-Empty R454 cylinders	Recovery	0.15
15 02 02*	Rags	Recovery	0.50
16 02 13*	Discarded equipment containing hazardous components other than those mentioned in 16 02 09 and 16 02 12	Recovery	0.005
16 02 15*	Defective compressors	Recovery	1.60
16 05 04*	Empty LPG cylinders	Recovery	0.19
17 06 03*	Sheathing	Recovery	0.15
19 08 06*	Softener resin in central heating plant 2	Landfill	0.003
Total hazardous waste			4.53

Hazardous waste (t)	Waste description	Waste destination	2024
07 02 13	Process plastics - components, protective casings, cable glands, gaskets etc. made of plastics (PVC, ABS, rubber etc.)	Recovery	11.05
08 03 18	Spent toners and cartridges	Recovery	0.02
12 01 02	Sheet metal processing	Recovery	180.81
12 01 04	Copper, brass, aluminium, heat exchangers	Recovery	7.87
15 01 01	Paper and cardboard packaging	Recovery	78.68
15 01 03	Wooden packaging	Recovery	92.91
15 01 06	Mixed material packaging from production	Recovery	0.92
16 02 16	WEEE from production (e.g.: motors, electronic boards, etc.) -electronic printing waste: ribbons, waste cartridges, toner	Recovery	4.54
16 02 14	WEEE (e.g. PCs, printers, cordless phones, computer accessories)	Recovery	0.43
16 06 04	Alkaline batteries except 16 06 03	Recovery	0.04
16 06 05	Other tool batteries and accumulators	Recovery	0.103
16 10 02	Aqueous liquid wastes other than those mentioned in 16 10 01 (wet vacuums chillers-washer-dryers-UG - buckets with water for soldering-cooling - New laboratory - compressor condensate water - condensate water)	Landfill	75.00
17 04 11	Cables, other than those mentioned in 17 04 10	Recovery	3.89
17 08 02	Gypsum-based construction materials other than those mentioned in 17 08 01 (plasterboard)	Recovery	0.005
Total non-hazardous waste			456
Total waste			460.53

⁹ Source of emission factors used: Ecoinvent v3.10.

¹⁰ Source of emission factors used: Ecoinvent v3.10.

GRI 2-7 Employees

Employees by gender	2023	2024
Female	70	77
Male	153	153
Grand total	223	232

Employees by type of contract - 2024	2023	2024
Permanent	217	217
Female	69	73
Male	148	144
Fixed term	6	15
Female	1	4
Male	5	11
Grand total	223	232

Employees by form of employment	2023	2024
Full-time	216	223
Female	63	70
Male	153	157
Part-time	7	9
Female	7	7
Male	0	2
Grand total	223	232

GRI 405-1 - Governing bodies and employees classified by gender and age group

GOVERNING BODIES by gender	2023			2024		
	Women	Men	Total	Women	Men	Total
Board of directors	0	3	3	0	3	3
Board of Internal Auditors	0	5	5	0	5	5
Total	0	8	8	0	8	8
<i>Percentage</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>	<i>0%</i>	<i>100%</i>	<i>100%</i>

GOVERNING BODIES by age group	2023				2024			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Board of directors	0	1	2	3	0	1	2	3
Board of Internal Auditors	0	1	4	5	0	0	5	5
Total	0	2	6	8	0	1	7	8
<i>Percentage</i>	<i>0%</i>	<i>25%</i>	<i>75%</i>	<i>100%</i>	<i>0%</i>	<i>13%</i>	<i>88%</i>	<i>100%</i>

EMPLOYEES by category and gender	2023			2024		
	Women	Men	Total	Women	Men	Total
Executives	1	8	9	0	8	8
Managers	0	4	4	1	4	5
White-collar workers	20	48	68	25	46	71
Shop-floor workers	48	82	130	48	89	137

Apprentices	1	11	12	3	8	11
Total	70	153	223	77	155	232
Percentage	31%	69%	100%	33%	67%	100%

EMPLOYEES by category and age group	2023				2024			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	0	5	4	9	0	4	4	8
Managers	0	2	2	4	0	3	2	5
White-collar workers	13	39	16	68	8	42	21	71
Shop-floor workers	27	62	41	130	25	65	47	137
Apprentices	12	0	0	12	11	0	0	11
Total	52	108	66	223	44	114	74	232
Percentage	23%	48%	30%	100%	19%	49%	32%	100%

PROTECTED CATEGORIES by category and gender	2023			2024		
	Women	Men	Total	Women	Men	Total
White-collar workers	0	1	1	1	1	2
Shop-floor workers	3	7	10	4	7	11
Total	3	8	11	5	8	13
Percentage	27%	73%	100%	38%	62%	100%

GRI 401 - Staff Turnover

Employees at the end of the period	2023			2024		
Gender	Women	Men	Total	Women	Men	Total
Total	70	153	223	77	155	232

Newly employed	2023			2024		
Gender	Women	Men	Total	Women	Men	Total
Up to 29 years	2	11	13	3	4	7
30-50 years	2	7	9	6	10	16
>50 years	0	2	2	2	2	4
Total	4	20	24	11	16	27

Terminations	2023			2024		
Gender	Women	Men	Total	Women	Men	Total
Up to 29 years	1	7	8	1	6	7
30-50 years	1	2	3	0	8	8
>50 years	3	6	9	4	4	8
Total	5	15	20	5	18	23

Reason for termination	2023			2024		
Gender	Women	Men	Total	Women	Men	Total
Voluntary resignations	1	7	8	2	13	15
Retirement	2	3	5	3	2	5
Dismissal	1	1	2	0	0	0
End of fixed term contract	1	4	5	0	1	1
Other	0	0	0	0	2	2
Total	5	15	20	5	18	23

Turnover	2023			2024		
	Women	Men	Total	Women	Men	Total
Positive turnover - recruitment	6%	13%	11%	14%	10%	12%
Negative turnover - terminations	-7%	-10%	-9%	-6%	-12%	-10%
Overall turnover	-1%	3%	2%	8%	-1%	2%

GRI 403 - Occupational Health and Safety

Worker training in occupational health and safety	2023		2024	
	N° hours of training	N° of employees involved	N° hours of training	N° of employees involved
Health and safety - general training	136	35	48	12
Health and safety - specific training	494	54	774	108
Total	630	89	822	120

Number of accidents	2023	2024
Total number of deaths due to occupational accidents	-	-
Total number of serious accidents at work (excluding fatalities)	-	-
Total number of recordable occupational accidents	3	6

Type of accident	2023	2024
Falling and slipping	-	-
Accident on the road	-	-
Struck by - Hit by / Against	-	-
Other (specify): Manual handling of loads; Suspended loads; Work equipment; Work environments	3	6

Accident rate	2023	2024
N° of hours worked	351,916	361,388
Recordable work accident rate	8.52	16.6

GRI 404-1 - Average hours of training per year per employee

Average hours of training	2023			2024		
	Women	Men	Total	Women	Men	Total
Executives	8.5	7.9	8	0	8.1	8.9
White collar - Managers	12.1	17.1	16	13.5	7.5	8.4
Shop-floor workers	5	12.7	10	7.7	11.8	10.4
Total	7.2	16.5	13.5	9.8	15.5	13.6

GRI CONTENT INDEX

[Galletti S.p.A.] has reported the information referred to in this GRI content index for the period [01.01.2024-31.12.2024] with reference to GRI standards.

GRI STANDARDS	INFORMATION	REFERENCE/NOTES
GRI 2: GENERAL INFORMATION 2022	2-1 Organisational Details	Reporting boundary; Governance structure
	2-2 Entities included in the organisation's sustainability reporting	Scope of Reporting
	2-3 Reporting Period, Frequency and Point of Contact	Scope of Reporting
	2-4 Review of Information	Scope of Reporting
	2-5 External Assurance	Reporting not subject to External Assurance
	2-6 Activities, Value Chain and Other Business Relationships	Profile and Identity; Integrated management system and certifications: the basis of our commitment Our value chain: customers and suppliers
	2-7 Employees	Human Capital
	2-8 Non-employed workers	Human Capital
	2-9 Governance Structure and Composition	Governance Structure
	2-22 Sustainable Development Strategy Statement	Letter to Stakeholders
	2-26 Mechanisms for requesting clarification and raising concerns	Ethics & Compliance
	2-27 Compliance with Laws and Regulations	Ethics & Compliance
	2-28 Membership of associations	Our Ties to the local area
	2-29 Approach to stakeholder engagement	The relationship with our stakeholders
	2-30 Collective Agreements	Human Capital
GRI 3: INFORMATION ON MATERIAL ISSUES 2022	3-1 Process for Determining Material Issues	Materiality Assessment
	3-2 List of material issues	Materiality Assessment
	3-3 Management of Material Issues	Materiality Assessment
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Economic value directly generated and distributed	Economic value generated and shared
	201-4 Financial support received from the government	Economic value generated and shared
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of expenditure to local suppliers	Our value chain: customers and suppliers
GRI 205: ANTICORRUPTION 2016	205-1 Transactions assessed for risks of corruption	Ethics & Compliance
	205-3 Incidents of corruption ascertained and actions taken	Ethics & Compliance
GRI 302: ENERGY 2016	302-1 Total energy consumed within the organisation	Energy and energy efficiency
	302-2 Energy consumed outside the organisation	Energy and energy efficiency
	302-3 Energy intensity	Energy and energy efficiency
GRI 305: EMISSIONS 2016	305-1 Direct GHG emissions (Scope 1)	Greenhouse Gas Emissions
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	Greenhouse Gas Emissions
	305-3 Other indirect GHG emissions (Scope 3)	Greenhouse Gas Emissions
	305-4 Intensity of GHG emissions	Greenhouse Gas Emissions

GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	Waste Management
	306-4 Waste not intended for disposal	Waste Management
	306-5 Waste intended for disposal	Waste Management
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers assessed using environmental criteria	Our value chain: customers and suppliers
GRI 401: EMPLOYMENT 2016	401-1 New recruitments and turnover	Human Capital
	401-2 Benefits provided for full-time employees, but not for part-time or fixed-term employees	Human Capital
	401-3 Parental Leave	Human Capital
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	The safety of our employees
	403-2 Hazard identification, risk assessment and accident investigation	The safety of our employees
	403-3 Occupational health services	The safety of our employees
	403-4 Worker participation and consultation, and communication on occupational health and safety	The safety of our employees
	Worker training in occupational health and safety	The safety of our employees
	403-6 Promoting of Workers' Health	The safety of our employees
	403-7 Prevention and mitigation of occupational health and safety impacts within business relationships	Integrated management system and certifications: the basis of our commitment The safety of our employees
	403-1 Workers covered by an occupational health and safety management system	The safety of our employees
	4039 Occupational Accidents	The safety of our employees
	403-10 Occupational Diseases	The safety of our employees
GRI 404: TRAINING AND EDUCATION 2016	404-1 - Average hours of training per year per employee	Human Capital
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1 Diversity in governing bodies and among employees	Governance Structure Human Capital
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective measures taken	Human Capital
GRI 413: LOCAL COMMUNITIES 2016	413-1 Activities involving local community involvement, impact assessments and development programmes	Our Ties to the local area
GRI 414: SOCIAL EVALUATION OF SUPPLIERS 2016	414-1 New suppliers assessed using social criteria	Our value chain: customers and suppliers
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of health and safety impacts by product and service categories	Integrated management system and certifications: the basis of our commitment
	416-2 Incidents of non-conformity of products and services involving impacts on the health and safety	Integrated management system and certifications: the basis of our commitment
GRI 418: PRIVACY OF CUSTOMERS 2016.	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data	Data Security



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