



"A STORY OF CONTINUITY **AND CONNECTION: TOGETHER TO THE FUTURE**?

SUSTAINABILITY REPORT

2022

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INTRODUCTION

The years between 2020 and 2022 led to a disruption of the economic and political equilibrium of the world as we knew it.

Initially the pandemic, and then the return of war in Europe, deeply shook our foundations as a society. In these three years, even Facchini has been, and still is, engaged in a process of transformation, in order to adapt to the new world economic conditions, as well as to live up to the demanding challenges ahead of us.

General challenging situations have helped to further develop Facchini's ability to resiliently and proactively live up to the increasingly challenging customer demands. The need to plan a strategy that takes into account sustainability goals , with a view to monitoring and reducing the impact of processes and products, has also arisen at the management level as a result of the continuous change in markets.

Actually, the need to publish this Sustainability Report stemmed from the observations raised above. The sustainability report is a document conceived to share our choices and goals set - at Facchini - with our collaborators, customers, suppliers and stakeholders.

A far-reaching project, to create together an advanced way of doing business.

LETTER TO THE **STAKEHOLDERS**

THE REASONS FOR THIS STEP

Since its foundation Facchini has been operating in the Automotive industry, and beyond, establishing itself as one of the main suppliers of a leader group in the manufacture and sale of industrial vehicles.

Drawing up a Sustainability Report is not an overnight decision. Deciding to take up on this challenge first of all means changing our corporate approach from a utilitarianism viewpoint, to pursuing growth which cannot be measured using conventional economic parameters alone. In one of the most complicated periods in recent history and this century, we have stuck to the values that have always been our distinguishing trait and that we have always upheld. We have not had to make much effort, because the subject-matter of this document reflects what we have always experienced, perhaps even unknowingly, in the way we do business.

Where we started, what we have achieved and the direction we plan to take are the cornerstones of Facchini which intends to open up to all its stakeholders.

THE CURRENT CONTEXT

To us - at Facchini - drawing up the Sustainability Report means significantly continuing our growth trajectory, shared with all the company's workers, which has always been an added value for us as a company.

The picture of the various nuances and professional figures in the company will emerge from the pages you are about to read. While we are grateful to our employees embarking on this journey with us, on the other hand we have always maintained constant specialization programmes for them, investing in the recruitment of young people and creating a decent, fair, safe and stimulating work environment for them.

The level of our growth is measured in the confirmation of the annual quality certificates, in the continuous improvement and optimisation of processes, increasingly tending toward a sustainable approach. The generation of tomorrow's workers, both those still in school and those who have left, is increasingly conscious focused on ethical behaviour and values promoted by businesses.

Moving to the new headquarters, in a different context than the more dispersive one of the city, also entailed the obligation to seek closer collaboration and attention to the territory and its various spheres, establishing relations with organisations and associations in Castrezzato. Being both a resource and a problem to be addressed for the community that welcomed us, combined with a strong sensitivity on ecological issues. are factors that have led us to invest even more in environmental-related matters. This includes correct disposal of waste, adopting a heating system derived from the cogeneration of energy produced by brazing furnaces, as well as managing the production process to align it further the with high environmental, energy and guality standards. WHAT DRIVES US We have always been very sensitive to social and environmental issues, and we are driven by the belief that the purely economic sphere cannot be the only factor that determines our way of doing business.

Despite being conscious that we still have a long way to go in terms of an increasingly sustainability-oriented management, we believe that we have a major role to play as promoters of a positive example, capable of sustaining this demanding project.

TOWARDS NEW CHALLENGES

«Our models of consumption and production, and our lifestyles. must respect creation and the integral human development of all peoples. Let us renew the covenant between human beings and the environment, a mirror reflecting the creative love of God».

These are not the words of an enlightened economist, but those of Pope Francis, which refer to ethical and ecological issues of great importance. And it is inevitable for all of us to strike a balance between the need for economic development that can benefit everyone and not just a few, bearing in mind that the planet on which we are living is unique and of invaluable value. Striking this balance is no mean feat. As a matter of fact, it is a demanding and laborious challenge, although engaging.

Engaging our stakeholders through the publication of this Sustainability Report is an integral part of the process. That is why it is high time we came together to create a new way of producing and working passionately, sustainably and in an environmentally-friendly way.

> Marinella Franzoni Daniele e Fabrizio Vertua

THE 2019-2022 FOUR-YEAR PERIOD AT FACCHINI

The last four-year period at Facchini, the one taken into account to draw up this first Report, was perhaps the most intense in the history of this company. Whereas Facchini has been through its fair share of physiological crises and changes, the last four years have marked a new beginning for the company.

2019 will not be remembered as the year we simply moved from one site to another: it was a true revolution for Facchini. This is not just a matter of size (from 2,000 to 5,000 square metres in surface area). It is about a complete about turn for the organisation in terms of working processes and, above all, the product cycle. Enjoying the availability of dedicated spaces appropriate for all processes, combined with the possibility to order these processes in a chronological-logistical order, allowed us to optimise countless aspects both in terms of production and the corporate life. This actually marked the beginning of a new era.

Whereas 2019 marked the turnaround, 2020 brought with the solidity and guarantee of a healthy and responsive company. In a full-blown pandemic, despite an inevitable drop in turnover, Facchini got back to its feet and limit damage, by putting in place several strategies and procedures that enabled workers to go about their chores under the safest working conditions possible. Thanks to the conditions which took shape in 2020, 2021 marked the year of revival, despite the fact that the spread of covid continued even over these twelve months. Having never closed or suspended work and a new revenue record attest the economic growth, which entailed a significant growth of the company's staff.

In 2022 the new challenge lies in the acquisition of a strategic supplier and then in integrating a new production process. A significantly complex situation in terms of the required financial effort, as well as - above all - the management of several processes on the one hand, and considerable growth of the staff on the other. The tensions stemming from the raw material market and the high energy costs significantly affected the end-of-year net profit, despite still posting an increase in revenue compared to 2021.

Whereas Facchini has been through its fair share of physiological crises and changes, the last four years have marked a new beginning for the company.





SOCIAL

ENVIRONMENTAL

X

ECONOMIC VALUE CREATED

12,5 million €

TOTAL WORKERS

KWH OF ENERGY CONSUMED

1.323.731

ECONOMIC VALUE DISTRIBUTED TO THE STAFF

2,2 million €

CAPITALISED INVESTMENTS

14 million €

FEMALE WORKERS

9%

OPEN-ENDED CONTRACTS

81%

ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS (raw material)



HOURS OF TRAINING PROVIDED

1.899

ITALIAN SUPPLIERS (RAW MATERIAL)

100%

M³ OF WATER DRAWN

2729

TONS OF WASTE PRODUCED

65,93

TCO₂ (SCOPE 1 and SCOPE 2)

717,10 Tons





SUSTAINABILITY STRATEGY

Conscious of the company's social role, Facchini's governance has always been marked by a mutually beneficial relationship with its stakeholders. Building a trust and transparency-based relationship with its partners stems from dialogue and exchange of ideas with all stakeholders interacting with the company.

The awareness of the degree of satisfaction of the expectations of their stakeholders allows the persons in charge to make the necessary changes or steer the ship towards a brighter future for all. All choices made at Facchini strive towards meeting its stakeholders' needs.

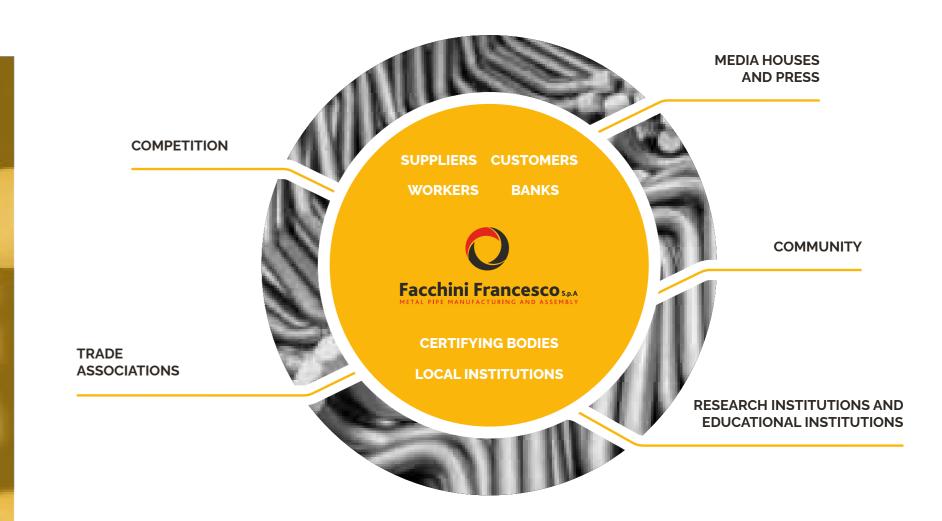
About our stakeholders

Our stakeholders are all the people and organisations affected by Facchini's activities and anyone who interacts with the company in terms of:

- **Collaboration**, to create a long-lasting value;
- Sharing goals to foster sustainable social, economic and environmental growth;
- **Transparency** in relationships and focus on the role of all stakeholders in the context in which they operate.
- Willingness to interact through a close collaboration relationship pursuing mutual benefit by sharing economic and experience ideas.

The almost daily interaction with most of our stakeholders shows the consistent willingness and drive to grow in the various shared areas of competence. Goals pursued through mutual cooperation include wellbeing, reliability, product quality and safety, profitability, reputation, innovation as well as environmental and social sustainability.





Primary stakeholders 📒

Facchini's primary stakeholders include workers, suppliers, customers, banks, certifying bodies and local institutions.

Secondary stakeholders 🔳

On the hand, the company's secondary stakeholders include research institutions and educational institutions, trade associations in which the company is a registered member, competitors in the industry, media houses, the press and the local community.



Dialogue with stakeholders

Facchini has established strong relationships with its internal and external stakeholders.

Dialogue with these stakeholders entails keeping an **ever-open channel** with companies and institutions, with the territories and with those who live there on a daily basis, paying attention to their proposals for improvement, as well as their complaints, if any.

Communication and interaction mode:

TAKEHOLDER	COMMUNICATION MODE
	CONTRACTOR

Workers	Emails and Apps	Direct interactions	Announcements on noticeboard
Customers	Emails	Trade fairs	Meetings
Suppliers	Emails	Meetings	Telephone relationships
Banks	Financial statement Notes to the financial statements	Management report	Emails Meetings
Certifying bodies	Audit		
Local institutions	Meetings		
Trade associations	Emails	Meetings	
Community	Social		
Media houses and press	Social	Website	Press releases
Competition	Social	Website	
Research institutions and educational institutions	Emails	Meetings	

Furthermore, we pay special attention to communication on social platforms and on our website to keep a direct information channel with all our stakeholders.

Conducting a materiality analysis consists of identifying the impacts of the company and relevant topics, quantifying their impact on the economic performance of the company, as well as on the social and environmental performance. Besides primarily affecting how the company is operating, negative or positive business impacts may also directly or indirectly affect the behaviour and strategies of those who interact with Facchini. This impact analysis therefore reveals the priority topics that will enable us to promote the development of Facchini in an increasingly responsible and sustainable way with the aim of mitigating our negative impacts.e e sostenibile con l'intento di mitigare i nostri impatti negativi.

Below are the aforementioned topics related to the reference Goals and our commitment to these goals.



ENVIRONMENTAL TOPICS

MITIGATION OF ENVIRONMENTAL IMPACTS

Mitigate consumption and reduce the ecological impacts of the production process

- Reduce emissions to the atmosphere, including through Carbon Footprint tracking.
- Develop sustainable and recyclable packaging, while reducing use of plastic to the uttermost.
- Pay attention to consumption, including energy and water consumption, by limiting its use to the quantity necessary for the production process.

RESPONSIBLE WASTE MANAGEMENT

Resource utilisation and waste management

- Paying attention and disseminating good recycling practices, following circular economy processes.
- Managing waste responsibly, working more on the concept of reduction.



SOCIAL TOPICS

PEOPLE: PROTECTION AND GROWTH



Protecting and empowering collaborators, taking care of their well-being and career paths

- Ensuring the health and safety of workers by applying rules and adopting controlled procedures
- Providing adequate training of staff, ensuring professional growth for all workers
- Wellbeing of workers, welfare initiatives and plans put in place by the employer to improve the work and life quality of the employees and their family members.
- Protecting diversity and ensuring inclusion for all workers, avoiding discrimination

LOCAL COMMUNITY

Focus on communities through interaction and support

- Protecting employment by creating jobs for local communities
- Supporting local communities and the less fortunate through a concrete and defined commitment. Creating a sense of partnership with local players through volunteering / shared activities



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GOVERNANCE TOPICS

PRODUCT QUALITY AND SAFETY

- Ensuring that customer satisfaction is maximised through a customer satisfaction process designed to detect customer satisfaction and capture opportunities for improvement.
- Offering a high quality product while maintaining excellent safety standards

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RESPONSIBLE GROWTH

- Investments in digitalisation to ensure qualitative, competitive and lasting growth while complying with the goals of Industry 4.0
- Conducting business processes in an ethical manner, enforcing and ensuring strong working relationships with suppliers and customers

EXTERNAL RELATIONS

Local suppliers

• Enhancing presence in the territory by creating economic value through the use of local suppliers

We have defined the contents of this Sustainability Report, identified in accordance with the GRI standards, based on the following reporting principles:



Impact materiality

For this first Report, we carried out our 'Materiality analysis', using a questionnaire in digital format, followed by a specific analysis of our impacts as well as a comparative and statistical activity.

For us, this analysis is also an evolution from the dialogue established with internal stakeholders, which will become more intense and participatory in the coming years on ESG-related issues.

This first analysis identifies and assesses all issues that can influence the opinion and actions of stakeholders, and as a result, our company's ability to generate shared value in the society

Below is the detail of the analysis carried out.

MACRO-TOPICS

To identify the key issues, an analysis of the industry, the website, governance documents, policies and Code of Ethics, integrated vendor assessment, and international standards relating to customers, suppliers, competitors, trade associations and banks was carried out. This was integrated by press release analysis to assess the main relevant topics in the industry. The analysis revealed 8 key ESG topics



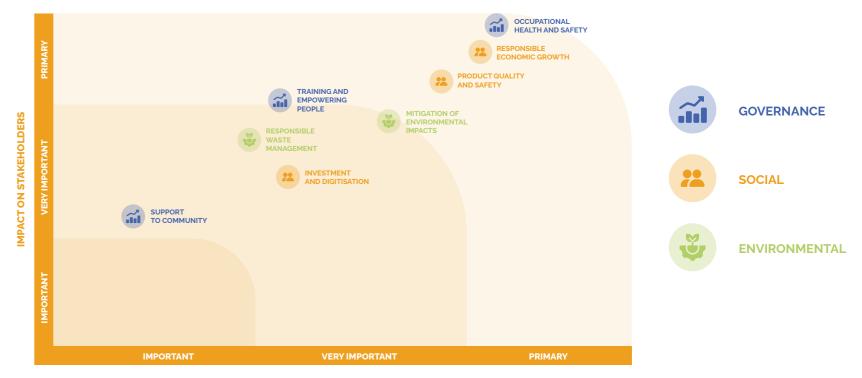
INTERACTION WITH THE MANAGEMENT

THE QUESTIONNAIRES ANALYSED

RESULTS ANALYSIS AND MATERIALITY MATRIX The analysis was carried out with the involvement of management and staff, as well as by interacting with external stakeholders.

We identified what stakeholders consider important in their relationship with our company and what they consider of interest to them. The analysis enabled us to begin a concrete process of further examination of the relevant issues.

The analysis of the impacts and topics considered strategic for the growth of Facchini was also compared with the expectations of directly involved stakeholders. The results of this comparison allowed to identify relevant topics for Facchini



IMPACTS ON GOVERNANCE · ENVIRONMENTAL · SOCIAL

Faced with an international economic situation in which great uncertainty prevails, Facchini's management has drawn up a strategic plan for the next three years, which will focus on market, organisational and sustainability objectives.

At the heart of its strategy, Facchini is committed to:



Finding a logistical solution that would bring the branch currently located in the former premises of its supplier, which was taken over in 2022, closer to its Castrezzato premises.



Completing the process of networking all the company's production units, connected to the automated warehouses for laid pipes and components, for a management increasingly consistent with the principles of Industry 4.0.



Applying a shared responsibility model in the relationship with human resources, promoting welfare activities within the company contract, promoting staff retraining, consistent training in the belief that training is the first investment stay ahead of competition;

Overcoming awareness of the current condition to activate the idea process through listening, collecting, evaluating proposals from all levels of the company, creating an idea database; engaging in the vision of the desired future.



Opening up to the new vision of the automotive market: electrical, hydrogen, biofuels. The reduction in volumes of internal-combustion engines requires that the company be oriented toward "redundant flexibility," and that future investments be directed toward versatile systems.

Developing our business through trade fairs and contacts in Confapi, together with a network of other complementary companies.



Strengthening relations with educational institutions, both for school internship experience and for sharing research projects Take up the challenge set by the UN, pursuing some of the Agenda 2030 goals to translate them into concrete action. This is the intention of Facchini and the commitment in which to involve its stakeholders in order to aim for a sustainable future. We need a sprint toward this goal, which inevitably involves first acquiring and then spreading the sustainability culture.

We have always been committed to ensuring the economic, social and environmental sustainability of our business. Empowering the people, territories and communities in which we operate and minimising environmental impact of activities are the cornerstones of our way of doing business.

This approach has allowed us to outline a program of initiatives in order to promote the integration of sustainability in all areas of the business.

In order to better frame and steer our activities in the field of sustainability, we have decided to embrace the sustainable Development Goals of Agenda 2030.

The analysis carried out included a study of the 169 targets which were associated with the identified material topics. This allowed us to select the "Goals" and targets applicable to our business model.

Of the 17 goals, 8 were considered applicable to our business and mission.

SUSTAINABLE GOALS DEVELOPMENT GOALS TO TRANSFORM OUR WORLD



Very relevant

3 8 12 13

GOOD HEALTH J AND WELL-BEING $-M/\dot{\bullet}$

HEALTH AND WELL-BEING

DESCRIPTION:

Reduce the number of deaths and diseases from hazardous chemicals and from air, water and soil pollution and contamination.

FACCHINI'S CONTRIBUTION:

- Continuous monitoring of air quality, especially in the welding, washing and flushing departments, provided with fume extractor hoods;
- Management of chemicals through product selection and dissemination of safety data sheets for lubricants and detergents;
- None of the chemicals used in production processes are classified as carcinogenic.

O DECENT WORK AND O FCONOMIC GROWTH

DECENT WORK AND ECONOMIC GROWTH

DESCRIPTION:

Stimulating sustainable, inclusive and sustainable economic growth, full and productive employment as well as decent work for all.

FACCHINI'S CONTRIBUTION:

- In the last 5 years Facchini has doubled its staff, mainly by locally recruiting people under 30 years of age, investing in their training and growth, stabilising relationships with open-ended contracts:
- However, there are exceptions relating the recruitment of elderly staff, to be accompanied toward retirement.

RESPONSIBLE CONSUMPTION AND PRODUCTION

12 **RESPONSIBLE** CONSUMPTION

 $\mathbf{C}\mathbf{O}$

AND PRODUCTION

DESCRIPTION:

Ensuring sustainable production and consumption models.

FACCHINI'S CONTRIBUTION:

- To promote constant attention in the procurement and production of materials and components certified by composition and origin
- Implement proper material handling procedures to limit swarf and scrap material.

FACCHINI'S CONTRIBUTION:

 Commitment to monitoring its consumption by trying to mitigate environmental impact and reduce CO2 emissions into the atmosphere, also encouraging sustainable mobility of its employees.



COMBATING **CLIMATE CHANGE**

DESCRIPTION:

Take urgent measures to combat climate change and its consequences.

Important **4 7 11**



QUALITY EDUCATION

DESCRIPTION:

Ensure fair and inclusive education and promote lifelong learning opportunities for all.

FACCHINI'S CONTRIBUTION:

- Invest in the continuous training of its staff through professional and technical courses, also promoting human growth.
- Support the education of employees' children through annual financial contributions.

AFFORDABLE AND Clean Energy

CLEAN AND AFFORDABLE ENERGY

DESCRIPTION:

reliable, sustainable and

FACCHINI'S CONTRIBUTION:

SUSTAINABLE CITIES

SUSTAINABLE **CITIES AND COMMUNITIES**

DESCRIPTION: Making cities and human settlements inclusive, safe, durable and sustainable.

FACCHINI'S CONTRIBUTION:

 Construction in the coming years of a new warehouse that meets the criteria of environmental sustainability, right from the moment it is designed.

Quite important



BUSINESSES. INNOVATION AND INFRASTRUCTURES

NUDUSTRY, INNOVATIO

3 AND INFRASTRUCTURE

DESCRIPTION:

Fair, responsible and sustainable innovation and industrialisation.

FACCHINI'S CONTRIBUTION:

- Invest in technology and machinery that can reduce consumption and - as a result - air pollution
- Participate in projects aimed at reducing CO2 emissions (prototypes for electric motors, hydrogen power circuits).

The business challenges that Facchini has faced over time cannot be measured solely by indicators such as business deals or turnover, which are nevertheless indispensable for ensuring economic stability. Quality in processes and procedures, health, safety, serenity and environmental protection are the horizons that determine the company's path.

The commitment has therefore always been to:

Maintain compliance with all applicable and possibly signed laws and regulations in force.



Periodic analysis of the risks and opportunities associated with each corporate process



Regular evaluation of the organisation, in line with changes and business developments in the interests of all employees.

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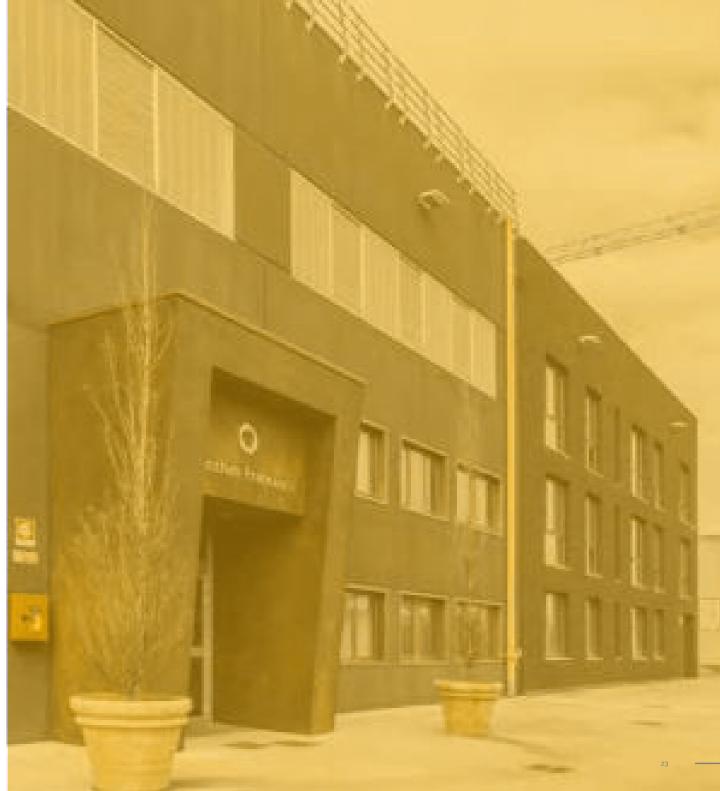
Choice of periodically measurable medium- to longterm goals on the topics of responsible development and growth. 5

Orientation toward a progressive increase in performance in terms of quality, behaviour aimed at protecting the environment, constant reduction of the risks of accidents in production, construction of a welcoming environment that promotes emotional and occupational well-being



Involvement of staff in health and safety decisions.

These goals are not just lip service. As a matter of fact, they are consistently monitored and varied depending on the new needs and opportunities that arise over time by involving employees.







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Deep roots over time: proudly **born in a garage** in the Carmine area in Brescia, where the founder Francesco Facchini set up the first press for moulding accessories. Since 1949, **three generations of entrepreneurs** have succeeded each other, implementing and varying the type of products and specialising in the processing of metal pipes.

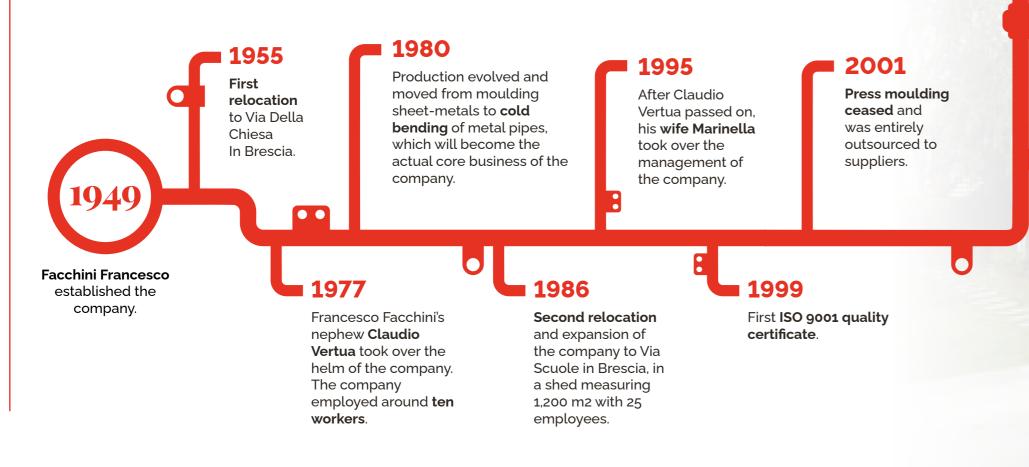


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Deep roots over time: proudly born in a garage in the Carmine area in Brescia, where the founder Francesco Facchini set up the first press for moulding accessories, as a supplier of the then OM in Brescia. Since 1949, three generations of entrepreneurs have succeeded each other, implementing and varying the type of products and specialising in the processing of metal pipes, becoming one of the main suppliers of the Iveco Group in this industry and also opening up to other markets. Over the years, a process of responsible growth has led to three relocations to larger premises, reflecting the evolution of the company over time, both in terms of size and organisation, and, above all, in terms of employment.

Our evolution 2.1.1



2009

As the company's turnover grew and after overcoming the crisis. Facchini fully took over the orders of a competitor: business volume

FACCHINI FRA increased and the staff members grew to 35. First IATF 16949 certificate awarded for the automotive industry.

2016

Fabrizio Vertua ioined the production department

2021

The MES software was introduced for shared management of production data and realtime progress of processes.

2007

Creation of a new building housing the new offices, cutting and edging departments, as well as the brazing furnace and the warehouse for pipes.

2010

Daniele Vertua ioined the company in the quality department. before embarking on the process of supporting the management in view of generational transition.

2019

Opening the **new** industrial site in the current Castrezzato premises and reorganisation of the production process aimed at meeting Industry 4.0 requirements.

2022

The company **acquired** a supplier by introducing a new in-house production process. Staff members grew to 63. Training a professional figure specialising in sustainability.

Reuse - recycling

ting up totems in the atrium and creating elements of our headquarters.

From simple scrap to contemporary art. the chandelier installed in our meeting In the renovation of the new premises in room. The whole was created by reus-Castrezzato, the sculptor Maurizio Marti- ing the scrap material from production. nelli was commissioned to create the en- Pieces unusable on industrial vehicles trance, designing the entrance gate, set- became a distinguishing and decorative







2.2.1 Pillars of sustainability

Our corporate sustainability policy stands on six pillars.

They result in concrete activities aimed at consistently improving responsible growth of the Facchini's business.





Ethics and Compliance

Any activity carried out in Facchini must comply with high ethical standards, with the utmost respect for the rules and laws. The company does not tolerate any form of corruption within and outside the company.

In this spirit, Facchini drew up its Code of Ethics, and also introduced a channel for reporting cases of cor-

ruption, discrimination or misconduct, which is the responsibility of the Supervisory Body.

Furthermore, Facchini operates in the interest of the common good so that the consequences – direct and indirect – of its activity are socially responsible and aim toward social, as well as environmental and economic sustainability.



Human resources

Along with planning, organising and planning work, the actual strength of Facchini has always been the professionalism of its workers, their ability to respond almost immediately to customer requests.

Facchini is committed to ensuring the health and safety of the various work environments in which its employees go about their professional activities, not only through scrupulous management of the physical premises of the offices, as well as through a growing focus on identifying the best services and the most effective tools to support their resources even in smart/remote working conditions. In addition, in the field of health and safety, the company promotes control and training activities to protect the well-being of its employees.

Customer centricity

Facchini is committed to creating value for customers, understanding their needs and expectations, responding to their needs and requirements in a timely and effective manner, through concrete solutions and design support. Customer satisfaction and centricity is key for Facchini, which strives to build lasting relationships and valuable partnerships for both, combining experience with the ability to predict market trends and changes.



Innovation

We live in a time when a new model of effectiveness matters and weighs more than traditional efficiency. As a matter of fact, whereas it is true that we have all been attracted to doing things well for decades, it is now much more important to be able to make the right decisions quickly at all levels of the business, and then perform them to the best of our abilities, through the experimentation approach.

Instead of trying to resist change, we need to adopt innovative strategies

Environmental commitment

Facchini is sensitive to the issue of environmental protection and responsible management of natural resources. We are committed to guiding our to meet the entailed challenges and achieve the well-being we seek in life and work.

Facchini strives to achieve eco-efficiency, modifying and improving processes that aim to reduce environmental impact. Driven by social innovation. Facchini aims to create new connections and interactions with stakeholders and new partners. In addition, Facchini promotes diversity as a core value.

choices to ensure compatibility between business operations and protecting our planet.

Supporting the community

For the responsible management of its business. Facchini strives to contribute to the creation of value for the community, together with the maintenance of economic balance and respect for the territory.

As a concrete symbol of its commitment to the society in which it operates, Facchini promotes initiatives and actions to support various associations and organisations active in diverse fields.

2.2.2 Our manifesto

"A story of continuity and connection: together to the future"

Actions and reactions are the result of connections that take place in a planned or spontaneous way; nature can teach us because in it everything is connected: this means that a small change in one part of a system will also have repercussions on the other part regardless of the will or our contribution, the pipe is our product but also the symbol of our connections:

> **CONNECTION** as a network connecting people, which results in systemic work in which everyone is important and responsible for their own role, meeting point and section. Because everyone is both individual and part of a system.

> **CONNECTION** as an approach that focuses on those who work as an essential element to develop the product instilling it - above all - with human values, as well as material and economic values.

> **CONNECTION** as the ability to connect past experience, present (even amidst its challenges) and future horizon, as if flowing. A unique, great history.

CONNECTION as an innovation intended as the ability to embrace, introduce, and connect to its world all the innovations that can drive workflow. whether as a production or as a team organisation.

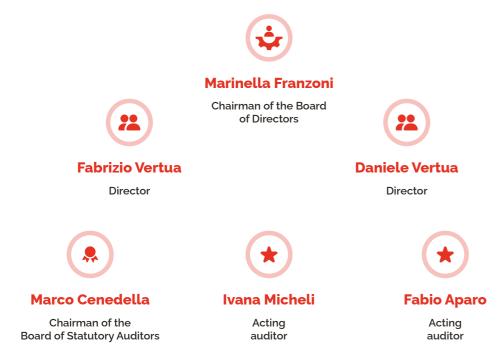
CONNECTION as formation, in the literal sense of "shaping" adding new elements from time to time, managing new levels of complexity, expanding their capabilities, such as a network of pipes that find new connections and stretch to greater heights.

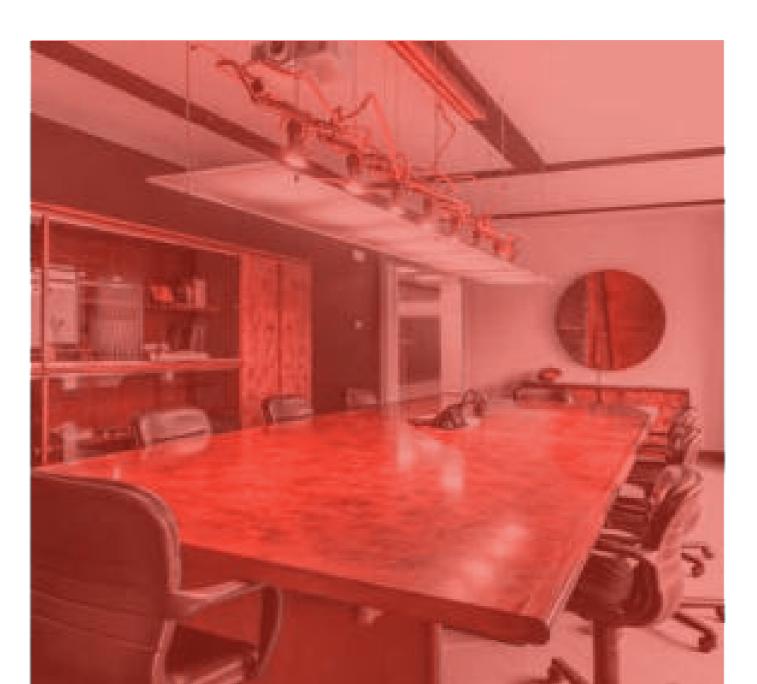


Since 1949, the year it opened, Facchini Francesco has always stood out as a family-run business. First and foremost, this is attested by its name, which is that of its founder. The company grew over time from a single-member company to a joint-stock company, through three generations of entrepreneurs who have succeeded each other since then, while steadily maintaining a strong family business trait.

2.3.1 Structure and organisation chart

The fact that the number of collaborators doubled in the last 5 years has required a review of the organisation chart and corporate governance activities, with an organisational model of shared responsibility: the challenge is to maintain the balance that values people and allows them to actively contribute to business development.





Below are the details of the members of the BOD by gender and age group:

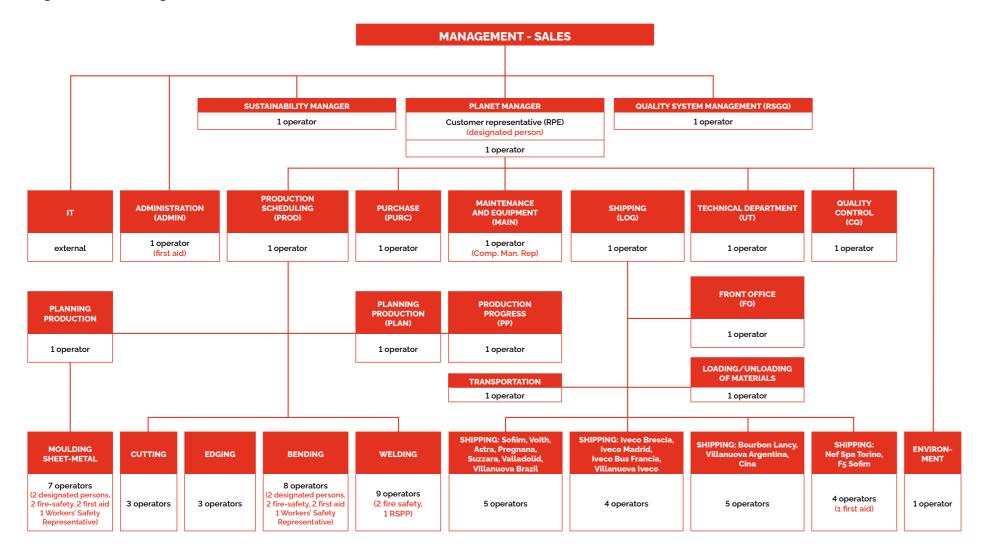
MEMBERS OF THE BOARD OF DIRECTORS BY AGE GROUP AND GENDER - 2022

At 31 December 2022										
Professional categories	<30 years		30-50 years		>50 years		TOTAL			
Member chairman	0	0	0	0	0	1	1			
Member	0	0	3	0	0	1	4			
Member	0	0	0	0	1	0	1			
Member	0	0	0	0	0	0	0			
Member	0	0	0	0	0	0	0			
TOTAL	о	0	3	о	1	2	6			



BOD – Company organisation chart

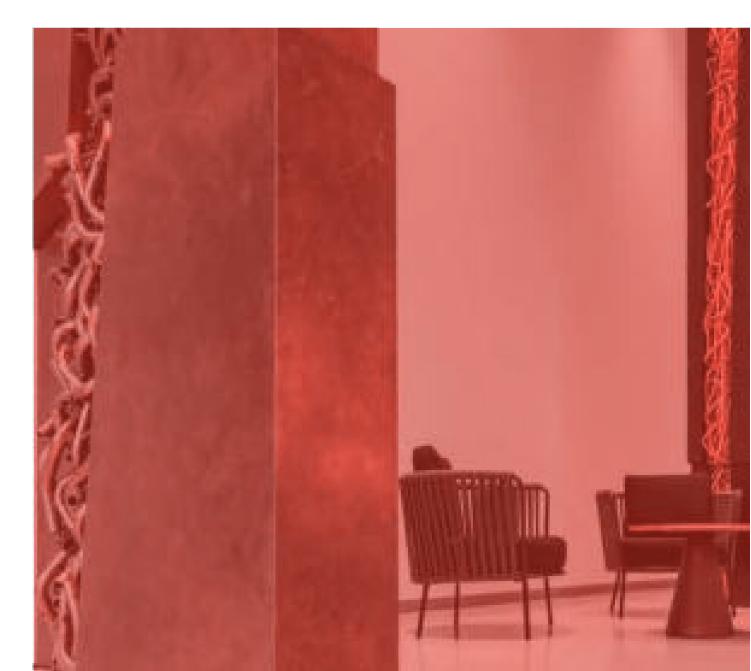
BOD diagram, function organization chart.



2.3.2 Code of ethics

Since 2011, Facchini has adopted a Code of Ethics, as proof of the management's assumption of responsibility toward its employees and the community's environment. Respect for individual dignity, the health and safety of workers, together with respect for the environment and the impact of corporate choices on corporate social responsibility have made ethics a genuine strategic choice, integrated into company management.

By applying our Code of Ethics, we ask all our employees, collaborators and all those who contribute to the good functioning of our company to respect the rules and principles. These and the provisions of the Group are binding on directors, management, employees, contractors and all those who have contractual relations with Facchini.



Go to "Code of Ethics"





In particular, the members of the Board of Directors are guided by the principles identified in our Code of Ethics in defining the strategies and goals of the company, in identifying and implementing the related investments and projects, and in any decision or action relating to the management of the company.

The principles behind our Code of Ethics are outlined in greater detail below:

- **Compliance** with all applicable laws and regulations.
- Compliance with all business procedures defined by the Management.
- Honesty, loyalty, fairness and good faith in relationships with customers, suppliers, business partners and representatives of organizations and institutions and, more generally, with all those whose interests are directly or indirectly affected by the activities of Facchini Francesco Spa.
- Equality and impartiality; fostering the integration of persons regardless of age, sex, sexual orientation, health conditions, race, nationality, political opinions and religious beliefs.

- Transparency and reliability: committing to inform, in a clear and transparent manner, all legitimate stakeholders about their situation and their progress, without favouring any interest group or individual, through the tasks entrusted to them for the purpose.
- Respect for the physical and cultural integrity of the person: ensuring working conditions respectful of individual dignity and safe working environments; rejecting requests or threats to induce individuals to act against the law and the Code of Ethics or to engage in conduct that is detrimental to each other's moral and personal beliefs and preferences.

The Code of Ethics adopted by Facchini is published and available on the company's website.

2.3.3 Il risk management: Model 231

Facchini, in collaboration with the Supervisory Body, adopted the Organisation and Management Model (OMM) in compliance with the Italian Legislative Decree N° 231/2001, with which the principles that inspire us and that must inspire all collaborators have been established.

The purpose of the model was to set up a structured and comprehensive system of prevention, deterrence and control, aimed at developing awareness of the criminal relevance of certain behaviours among those involved in sensitive activities and, through constant monitoring of the activity, to facilitate the prevention of criminal offenses.

In order to identify the principles that should be applied to draw up the model, due consideration has also been given to the ethical principles that are now enshrined in our Code of Ethics.

The Supervisory Body works constantly with the company and reports annually to the Board of Directors and the Board of statutory Auditors on the state of implementation of the Model, highlighting in particular the verification and control activities carried out and the results of these activities, any gaps in the model that have emerged and suggestions for possible actions to take.

Recycling, receiving stolen goods and money laundering

The bodies and areas at risk, also taken into account in our Organisation and Management Model (OMM) in compliance with the Italian Legislative Decree N° 231/2001, are the Board of Directors, the General Management and the Administration and Finance Department. We entrust the management of the cash flows, assets and liabilities, to the Administration, which is responsible for reconciling bank accounts with invoices receivable and payable. The Administration is also responsible for preparing financial statement data, the calculation of taxation, the management of bank accounts and the management of the Petty cash. Our Administration Department uses a Business Cube 2 invoicing software that provides automatic systems that do not allow manual changes in the order/invoicing cycle.

The company relies on the support of external consultants in the areas of taxation, management control and the use of public funding. The Model 231 adopted by Facchini is published and available on the company's website.





Facchini has always paid the utmost attention to customers and their needs, to protecting the environment and to protecting the health and safety of workers. The Management considered it necessary to adopt a **Quality Management System** in accordance with **UNI EN ISO 9001: 2015, IATF 16949:2016** standard, providing a valuable tool to achieve a continuous improvement in the efficiency of its products and processes.







2.5 MEMBERSHIP INASSOCIATIONS

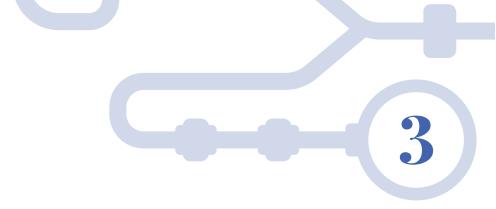
For over 50 years Facchini has been a member of **Confapi**, the association of small and medium-sized enterprises in Brescia. Networking, even before the advent of the Internet, has always been a guideline of those who managed Facchini over time. To face common problems collectively and to be able to be represented at institutional level also means to contribute to the life of the country in a concrete and active way.

The latest generation of Facchini management is an active part of the membership in Confapi Brescia. After spending the three years - from 2017-2019 - as a director of the Young Entrepreneurs Group, Daniele Vertua became a director in the Senior Board for the subsequent three year-period.









SOCIAL RESPONSIBILITY





The person, regardless of the role he or she plays in Facchini, is the focus of governance and the element from which the production activity cannot be separated. This can be achieved only through a relationship with its collaborators based on mutual trust which, as it happens, can be kept stable, intense and long-lasting

The company is committed to ensuring sustainable wellbeing, creating job stability and encouraging permanent recruitment, promoting professional growth through training, specialisation and empowerment of its employees.

(GRI 2-7)

WORKFORCE	At 31 December 2019			At 31 December 2020			At 31 December 2021			At 31 December 2022		
OF THE GROUP	Ť	ŧ	тот	t	ŧ	тот	t	ŧ	тот	t	ŧ	тот
In-house employees	31	4	35	29	4	33	40	4	44	46	6	52
External employees (agency workers)	6	0	6	6	0	6	7	0	7	10	0	10
External collaborators	0	0	0	0	0	0	0	0	0	1	0	1
Exclusive collaborations with self-employed professionals	0	0	0	0	0	0	0	0	0	0	0	0
Internship or the like	0	0	0	0	0	0	0	0	0	ο	0	0
TOTAL WORKFORCE	37	4	41	35	4	39	47	4	51	57	6	63

TOTAL NUMBER OF FACCHINI EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER



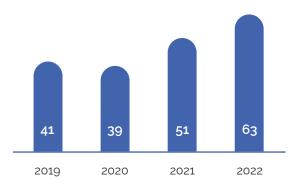
CONTRACT	At 31 December 2019		At 31 December 2020			At 31 December 2021			At 31 December 2022			
TYPE	V	ŧ	тот	V	ŧ	тот	V	ŧ	тот	V	ŧ	тот
Open-ended	31	4	35	29	4	33	40	4	44	46	5	51
Fixed-term	6	0	6	6	0	6	7	0	7	11	1	12
TOTAL	37	4	41	35	4	39	47	4	51	57	6	63

TOTAL NUMBER OF IN-HOUSE EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER

TOTAL NUMBER OF IN-HOUSE EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER

FULL TIME/	At 31 December 2019			At 31 December 2020			At 31 December 2021			At 31 December 2022		
PART-TIME	t	ŧ	тот	t		тот	t		тот	t	ŧ	тот
Full-time	37	2	39	35	3	38	47	3	50	56	4	60
Part-time	0	2	2	0	1	1	0	1	1	1	2	3
TOTAL	37	4	41	35	4	39	47	4	51	57	6	63

TOTAL EMPLOYEES AND EXTERNAL COLLABORATORS





RECRUITMENT AND DISCONTINUANCE - GRI 401-1° (Recruitment)

Below are the details of the new recruitments and discontinuance by gender and age group

TOTAL NUMBER OF INCOMING EMPLOYEES

BY GENDER, AGE GROUP AND GEOGRAPHICAL AREA

EMPLOYEES		At 31 Decer	mber 2019			At 31 Decer	mber 2020			At 31 Decei	mber 2021			At 31 Decer	nber 2022	
(AGE)	< 30	30-50	>50	тот	< 30	30-50	>50	тот	< 30	30-50	>50	тот	< 30	30-50	>50	тот
Ť	1	2	1	4	0	1	0	1	7	1	0	8	7	2	4	13
	0	0	0	0	0	1	0	1	0	0	0	0	1	1	0	2

TOTAL NUMBER OF OUTGOING EMPLOYEES

BY GENDER, AGE GROUP AND GEOGRAPHICAL AREA

EMPLOYEES (AGE)	At 31 December 2019			At 31 December 2020			At 31 December 2021				At 31 December 2022					
	< 30	30-50	>50	тот	< 30	30-50	>50	тот	< 30	30-50	>50	тот	< 30	30-50	>50	тот
Ť	1	3	0	4	0	2	1	3	0	0	0	0	0	0	2	2
	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0

PRC CAT

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BY JOB CATEGORY, AGE GROUP AND GENDER

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GRI STANDARDS 405-1

TOTAL NUMBER OF EMPLOYEES

BY JOB CATEGORY, AGE GROUP AND GENDER

			At	t 31 Dece	mber 201	.9	
OFESSIONAL TEGORIES	< 3	30	30-	-50	>5	ю	тот
	Ť	ŧ	Ť	ŧ	Ť	ŧ	
anagers	0	0	0	0	0	0	0
ddle-ranking anagers	0	0	0	0	0	0	0
Iministrative staff	0	0	6	2	2	0	10
orkers	7	0	13	0	9	2	31
DTAL	7	0	19	2	11	2	41

TOTAL NUMBER OF EMPLOYEES BY JOB CATEGORY, AGE GROUP AND GENDER

			At	31 Dece	mber 202	20	
PROFESSIONAL CATEGORIES	< 3	30	30-	-50	>5	50	тот
	i	ŧ	Ť	ŧ	Ť	ŧ	
Managers	0	0	0	0	0	0	0
Middle-ranking managers	0	0	0	0	0	0	0
Administrative staff	0	0	7	2	3	1	13
Workers	4	0	13	0	8	1	26
TOTAL	4	0	20	2	11	2	39

TOTAL NUMBER OF EMPLOYEES

	1						
			At	t 31 Dece	mber 202	21	
ROFESSIONAL ATEGORIES	< 3	30	30-	-50	>5	0	тот
	t	ŧ	Ť	ŧ	Ť	ŧ	
anagers	0	0	0	0	0	0	0
iddle-ranking anagers	0	0	0	0	0	0	0
dministrative staff	0	0	6	2	3	1	12
'orkers	16	0	13	0	9	1	39
OTAL	16		19	2	12	2	51

TOTAL NUMBER OF EMPLOYEES BY JOB CATEGORY, AGE GROUP AND GENDER

			At	t 31 Dece	mber 202	22	
PROFESSIONAL CATEGORIES	< 3	30	30-	-50	>5	0	тот
	Ť	ŧ	ţ	ŧ	Ť	ŧ	
Managers	0	0	0	0	0	0	0
Middle-ranking managers	0	0	0	0	0	0	0
Administrative staff	0	1	9	4	4	1	19
Workers	16	0	13	0	14	1	44
TOTAL	16	1	22	4	18	2	63



Facchini now has more than sixty people working within the company, more than one and a half times compared to 2019, the year of the transfer from the Brescia premises to that of Castrezzato. Around 81% of these are permanent employees, while 19% are temporary or agency workers.

(GRI 2-7)

TOTAL NUMBER OF IN-HOUSE EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER



CONTRACT	At 31 December 2019			At 31 December 2020			At 31 December 2021			At 31 December 2022		
ТҮРЕ	Ť	ŧ	тот	t		тот	t	ŧ	тот	t	ŧ	тот
Open-ended	31	4	35	29	4	33	40	4	44	46	5	51
Fixed-term	6	0	6	6	0	6	7	0	7	11	1	12
TOTAL (LIKE A)	37	4	41	35	4	39	47	4	51	57	6	63

TOTAL NUMBER OF IN-HOUSE EMPLOYEES AND EXTERNAL COLLABORATORS BY GENDER

FULL TIME/	At 31 December 2019			At 31 December 2020			At 31 December 2021			At 31 December 2022			
PART-TIME	t	ŧ	тот	t	ŧ	тот	¥	ŧ	тот	t	ŧ	тот	
Full-time	37	2	39	35	3	38	47	3	50	56	4	60	
Part-time	0	2	2	0	1	1	0	1	1	1	2	3	
TOTAL (LIKE A)	37	4	41	35	4	39	47	4	51	57	6	63	



3.1.2 Staff selection process

Over the past 5 years, Facchini had to increase its staff, as work volumes and customer demands have increased significantly.

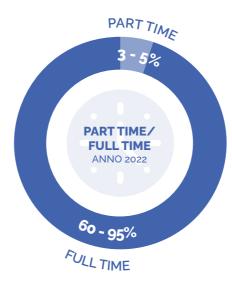
Applications are submitted through:

Direct receipt of resumés

Employment agencies

The evaluation process includes an interview and selection of temporary employment agencies, followed by an interview with the Human Resources manager. The evaluation criteria shall include the preparation and aptitude for the type of work described to applicants, soft skills, technical skills and financial aspects.

Introduced into their work context, resources are constantly monitored in their growth through:





The human component is an essential factor for the day to day chores at Facchini, which must be constantly developed and empowered.

From the moment they enter the company, the staff are involved in a continuous training activity starting from safety aspects above all, and then developing through the topics related to the company organisation and the technical training specific to the tasks of the position held and the cross-cutting skills.

3.2.1 Professional growth

Personal and professional growth within Facchini has always been a necessity. New staff who are introduced, if not already trained, are engaged in the simplest and most methodical tasks and processes. This does not mean that these employees shall hold this position throughout their career. Historically, Facchini's needs have been flexibility and elasticity in adapting to the various customer demands. Therefore, depending on the periods and situations experienced, staff are required to learn new tasks and alternate between departments.

In 2022, 1899 hours of training were provided to staff, that is 30 hours per worker.

TOTAL TRAINING HOURS

BY GENDER

PROFESSIONAL	At 31 December 2019			At 31 December 2020			At 31	Decembe	r 2021	At 31 December 2022		
CATEGORIES	V	ŧ	тот	¥	ŧ	тот	Ť	ŧ	тот	t	ŧ	тот
Managers	0	0	0	0	0	0	0	0	0	0	0	0
Middle-ranking managers	0	0	0	0	0	0	0	0	0	0	0	0
Administrative staff	638	81	719	348	86	434	548	85	633	507	20	527
Workers	331	8	339	170	4	174	952	0	952	1101	271	1372
TOTAL	969	89	1058	518	90	608	1500	85	1585	1608	291	1899

TR/

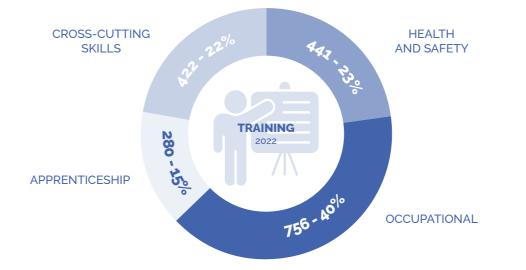
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Below are the details relating to training carried out in 2022:

2022

RAINING FIELDS	TOTAL HOURS	N° OF EMPLOYEES	MALE WORKERS	FEMALE WORKERS	MALE ADMIN- ISTRATIVE STAFF	FEMALE AD- MINISTRATIVE STAFF
ROFESSIONAL	756	66	41	1	17	7
ROSS-CUTTING KILLS	422	88	57	1	18	12
PPRENTICESHIP	280	7	7	0	0	0
EALTH AND AFETY	441	78	58	1	11	8
	1899					





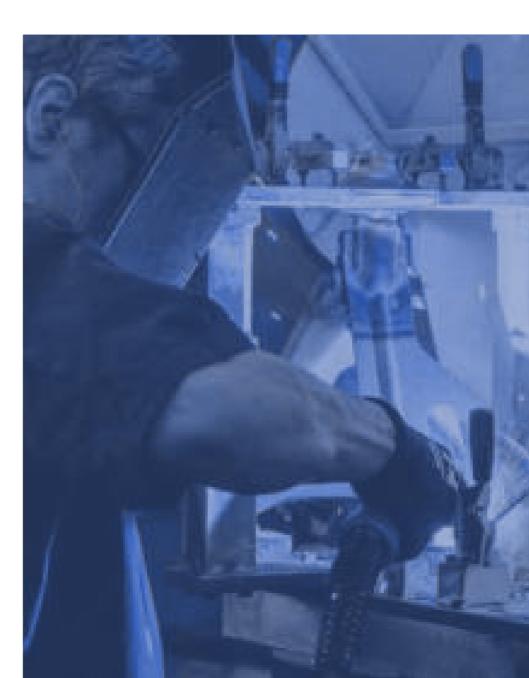
One of the primary goals of Facchini is to combine the needs of the business with those of the workers. The well-being of collaborators is guaranteed by introducing well-thought welfare plans. Working time was agreed, also following the needs of the pandemic period, between 7:00 am and 3:30 pm, with the possibility of adding overtime hours at the beginning or at the end of the working time depending on working needs. Keeping a portion of the day off helps to reconcile living and working time.

Welfare policies in the 2019-2022 four-year period have provided for:

- Introducing Ticket restaurant
- Reimbursement for transport costs incurred by employees
 residing more than 20 km from the Castrezzato premises
- Provision of fuel coupons to all employees.
- Opening a Welfare platform for managing bonuses
- Provision of a schooling contribution for the school-age children of employees

During the pandemic, Facchini utilised temporary state layoff fund by activating the ordinary redundancy scheme for a very limited time. The company **paid the wages due correctly, paying the redundance scheme funds** (where used) in advance to support its collaborators.

Facchini Francesco Spa applies the **National Labour Collective Agreement - Confapi**. In view of the key role played by its staff, a supplementary contract has been in place for years, providing for the payment of a profit premium linked to improvement indices, which can also be enjoyed in the form of Welfare.



Protecting the health and safety of its employees is a top priority for Facchini and it is an essential prerequisite for the efficient operation of its processes. At operational level, the company shall apply all the organisational procedures necessary to ensure the well-being of its workers, taking daily measures to prevent accidents and illnesses related to the nature of the occupational activity.

In this perspective, Facchini has always pursued two objectives:

- Raising awareness and spreading the culture of prevention, ensuring constant training of all people who work with, in and for the company in everyday life.
- The improvement of technologies and systems, increasingly designed and prepared to safeguard operators.

An experienced worker involved in the production department was appointed as the **internal Health and Safety Officer**. Together with the physician in charge, the Health and Safety Officer regularly carries out controls to verify compliance with the legislation laid down in the Italian Legislative Decree N°. 81/2008. The company also appointed Workers' Safety Representative and designated persons in the company, who are responsible for supervising and verifying the correct application of safety rules. Positions covered in both plants.

To pursue its objectives, the company set up an emergency team trained in first aid and the use of the defibrillator and a first aid team trained to manage any emergencies.

Facchini's efforts to improve the safety of their workers have reduced the risk of accidents to zero. Over the last four years, only a minor injury has occurred in Facchini.

KPIS	TOTAL 2019	TOTAL 2020	TOTAL 2021	TOTAL 2022
TOTAL NUMBER OF DEATHS AS A RESULT OF OCCUPATIONAL ACCIDENTS	0,00	0,00	0,00	0,00
TOTAL NUMBER OF SERIOUS OCCUPATIONAL ACCIDENTS	0,00	0,00	0,00	0,00
(EXCLUDING DEATHS) ABSENCE > 40 DAYS	0,00	0,00	0,00	1,00
DAYS WORKED (NORMAL HOURS + OVERTIME)	75.053,0	57.720,0	79.560,0	94.976,0
SEVERITY INDEX [2]	0,00	0,00	0,00	0,1
FREQUENCY INDEX (RATE OF RECORDABLE OCCUPATIONAL ACCIDENTS) [1]	0,00	0,00	0,00	0,00

[1] Accident rate was calculated as the ratio of the total number of accidents to the total number of hours worked, using a multiplicative factor of 1,000,000

[2] IG: Severity index (number of accident days/hours worked * 1000)

[3] MP: number of diseases recognised as positive per million hours worked

Facchini is a family-run business, which maintains a strong link with the territory and the province in which it is located, but which also has a broader vision in terms of supporting the solidarity organisations operating in the world. The commitment to support voluntary organisations is not limited to the company alone but is further resourced by the personal participation of the entrepreneurs themselves.



Dedicated to health care in war scenarios.



Over the years Facchini has participated in fundraisers promoted by various international organisations, such as the Red Cross, to address emergency situations arising from natural disasters (e.g. earthquakes and war events in the world) to assist those affected



Organisation committed to supporting two orphanages in the Democratic Republic of Congo





Amateur sports association that promotes and develops projects for the independence, integration, social and cultural inclusion of people with disabilities, operating in the province of Brescia.



Organisation engaged in regrowing bushes and forests in various Countries around the world.



Since setting up the new headquarters in Castrezzato, Facchini has supported some cultural and aggregational initiatives such as the sponsorship of a book (translation of the Divine Comedy into the Brescia dialect) and the skating rink in the town square during Christmas holidays.



"Guaranteed mobility" project, promoted by the Municipality of Brescia. Facchini was one of the 23 companies that sponsored a fleet of minibuses equipped for the transportation of the elderly and for the disabled for travel to day aggregation centres or to undergo medical check-ups and examinations.



Since 2021, through the direct commitment of the entrepreneur, Facchini has supported the organisation engaged in combating school dropout in Italy, trying to ensure - through various projects - a balanced distribution of education, to allow all students to have equal opportunities for intellectual growth.



EMERGENCY

RED CROSS





TRIBÙ DAL MONDO



AOLE



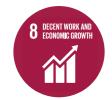
TREEDOM



TEACH FOR ITALY

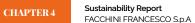


FINANCIAL RESPONSIBILITY









Since the day of its foundation, Facchini has stood out for its ability to design and manufacture the components required by its customers to precise specifications and to assist them with modifications through co-design activities.

From sheet-metal moulding, its core business has evolved to processing rigid and flexible pipes of various types, shapes, diameters and lengths. Over time, the company has also gained experience in the handling of complex pipes through the brazing process. The management of the cycle of a pipe, from the cutting of a rod, through bending, tapering of the ends and edging, welding, leak test, up to packaging, is handled internally, except for surface treatments such as coating and galvanizing.

The strong relationship with its suppliers of both materials and services, considered as true partners, allows Facchini to meet demands promptly and with quality, through a supply chain with suppliers of products mainly made in Italy. To guarantee the improvement of the quality of the products there is the continuous renewal and the utmost attention to the evolution of the technology used for processing. Every year, investments focus on the implementation of our systems and, when necessary, the possible replacement of those that are now outdated.



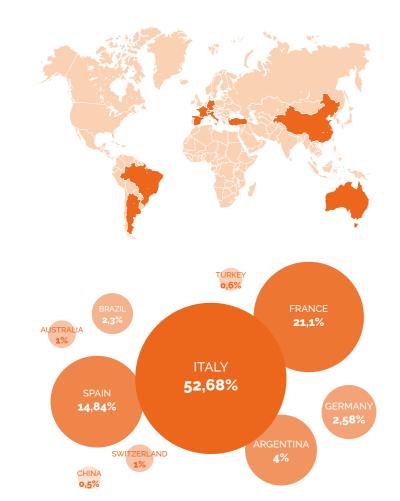
ISIVENESS SERVICES AND RESPONS Z **STICIT** ELA

Facchini has always made responsiveness and the ability to meet customer demands in the shortest time possible a strength. A work approach that involves a great effort at the organizational level and, above all, a great participation and involvement of employees in being always ready to meet the customer's needs, accurately and promptly. Over time, this elasticity has been recognised by customers as our greatest strength, along with reliability.



Maintaining its strong position in the Automotive market which has historically been the company's main business reference, in recent years Facchini has launched a project to expand into other fields, also providing external sales support in addition to the function already held within the company.

While Italy still represents more than 50% of the reference market, sales policy and strategy are increasingly looking to foreign markets as well.



Automotive

For Facchini, the reference market has always been the Automotive market, specifically the industrial vehicle market. Due to its organisation and size, the specialisation developed over the years in the market has helped Facchini's top performance in the management of the small series, focused on the production of specific details, much more complex and challenging in terms of technical skills, flexibility and elasticity in terms of responsiveness. A challenge Facchini enthusiastically rises up to every day and that allows to serve, among others, as many as 18 plants of the Iveco Group located not only in Italy and Europe, but all over the world.

The other fields in Italy and in the world

While the automotive market is undoubtedly the largest market for Facchini's production, the company has operated, operates and is able to operate in other fields as well. In the field of industrial vehicles, we also serve the earthmoving industry, which has a market parallel to that of the automotive industry. However, our customers also operate in the aerospace industry, the thermo-technical industry, as well as the furnishing accessories industry. Facchini's approach has always strived towards consistent growth over time. The main instrument is self-financing, which results from the reinvestment of its economic resources for the implementation and development of its business. Relocating to the new premises in Castrezzato in 2019 involved a total investment of approximately 5 million Euro including the purchase of the building, its renovation and the incorporation of new processing systems and the new automated warehouse for the horizontal pipes. A strategic and extraordinary operation, which, however, does not affect the daily investments required for the proper management of the systems. Same case applying to the takeover of a supplier in 2022, which helped the company to regain certain steps of the production process that are essential to ensure continuity of service to customers.

4.4.1 Industry 4.0, towards production data management

Over the last four years, investments have been limited not only to the production aspect, but also to improving the creation and dissemination of data and information within the various departments of the company, and toward the management. The MES (Manufacturing Execution System) software was introduced in 2021 for production programming. At the same time, Facchini is moving forward to complete the networking of all its plants. Besides monitoring data, the company's goal is to achieve an increasingly efficient production programming. Consistent with this goal, the last investment relates to the purchase of a vertical automatic warehouse for components as well. As with the horizontal pipe warehouse (already in the network for a long time), the component warehouse is also connected to the internal circuit so as to provide real-time stock and storage needs information.





After the economic crisis of 2007-2008, Facchini has enjoyed more than a decade of growth and prosperity, which has also allowed - besides a significant increase in turnover - an evolution in terms of structures and staff employed, transforming from a mechanical workshop into an actual company, which in turn led to relocating to larger, more functional premises. Thanks to a smart financial management, the constant capitalisation of profits and a challenging investment plan, Facchini further grew improving its performance, its positioning on the market, the strengthening of its workforce, recording a 24% rise in turnover between 2019 and 2022.

	2019	2020	2021	2022
ADDED VALUE CREATED	KEuro	KEuro	KEuro	KEuro
NET SALES REVENUE - TURNOVER	9.047.721	7.590.947	11.146.722	12.549.584
VARIOUS REVENUE AND INCOME	224.781	183.625	235.741	423.236
CHANGE IN INVENTORY OF FINISHED GOODS	35.819	49.124	64.176	283.948
TOTAL ADDED VALUE CREATED	9.308.321	7.823.696	11.446.639	13.256.767
ADDED VALUE DISTRIBUTED	KEuro	KEuro	KEuro	KEuro
AUXILIARY RAW MATERIALS AND GOODS	3.610.034	2.537.657	4.728.848	5.582.383
SERVICES	3.073.891	2.306.356	3.168.657	3.883.310
EMPLOYEE REMUNERATION	1.590.352	1.326.948	1.768.654	2.211.265
BOD/DIRECTORS REMUNERATION	197.680	127.680	197.280	214.560
CORPORATE DONATIONS	0	542	1.798	4.360
CHANGE IN INVENTORIES OF RAW MATERIALS	-124.190	223.686	411.758	235.152
FINANCIAL INCOME AND CHARGES	-26.443	-34.310	27.010	35.724
LEVIES AND TAXES	-77	20.394	90.068	690
TOTAL ADDED VALUE DISTRIBUTED	-150.710	209.770	528.836	271.566

	2019	2020	2021	2022
ADDED VALUE RETAINED	KEuro	KEuro	KEuro	KEuro
DEPRECIATION AND WRITE-DOWN OF FIXED ASSETS	594.253	816.265	1.258.128	1.354.211
PROVISIONS FOR RISKS AND CHARGES	0	50.000	0	0
EXCHANGE RATE DIFFERENCES NOT GAINED	0	0	0	0
NET PROFIT (PROFIT OR LOSS AFTER INCOME TAX)	-123.056	309.695	605.145	222.482
TOTAL ADDED VALUE RETAINED	471.197	1.175.960	1.863.273	1.576.693

	KEuro	KEuro	KEuro	KEuro
NET PROFIT	-123.056	309.695	605.145	222.482
CASH FLOW FROM OPERATING ACTIVITIES	597.942	1.891.798	1.145.250	-102.499
TOTAL ASSETS	474.886	2.201.493	1.750.395	119.983
LONG-TERM PAYABLES	2.259.394	2.045.586	2.224.789	3.067.356
EBITDA	272.872	978.039	1.744.610	1.189.971
CAPITALISED INVESTMENTS	10.423.257	10.982.149	12.823.046	14.086.961

In 2022, no significant environmental and social economic sanctions were reported.

Facchini and the entire stakeholder network were able to enjoy and still enjoy the wealth created in more than 70 years of business. In the tables on these two pages, the data on the added value created, distributed and retained by the company show the relationship with the socio-economic system in which the company is actively involved.





Most of the Facchini's historical suppliers are located in the province of Brescia and in Lombardy. This is due, first and foremost, to the quality of the services offered, but also to the geographical proximity, which is strategic in order to be able to support a flexible system according to the requests of its customers.

Not suppliers but partners. Whoever participates, even indirectly, in the production of the products that the company places on the market, do so in the knowledge that the relationship with Facchini must be based on requirements such as trust, transparency, quality and the ability to collaborate together, sharing the vision and style that Facchini applies to its customers.

These requirements that our suppliers have demonstrated to possess and desired to express, have helped Facchini to implement a shared growth trajectory.

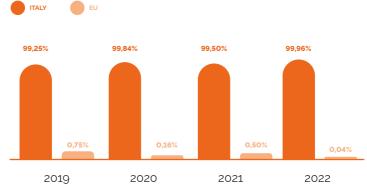
(GRI 204-1)

PERCENTAGE OF EXPENDITURE ON LOCAL SUPPLIERS

GEOGRAPHICAL AREA	At 31 December 2019	At 31 December 2020	At 31 December 2021	At 31 December 2022
Brescia town and province	54,60% di Italia	52,32% di Italia	47,70 % di Italia	46,32% di Italia
Italy	99,25%	99,84%	99,50%	99,96%
EU	0,75%	0,16%	0,50%	0,04%
World	0%	0%	0%	0%
TOTAL	3.709.685,18	2.575.803,13	4.700.347,38	5.327.054,17



ITALY/EU SUPPLIER EXPENDITURE





PERCENTAGE OF EXPENDITURE ON LOCAL SUPPLIERS - RAW MATERIALS

GEOGRAPHICAL AREA	At 31 December 2019	At 31 December 2020	At 31 December 2021	At 31 December 2022
Italy	99,25%	99,84%	99,50%	99,96%
EU	0,75%	0,16%	0,50%	0,04%
World	0%	0%	0%	0%
TOTAL	1.024.728,72	866.828,63	1.757.017.49	1.907.897,72

Supplier selection process

The supplier vetting process is carried out taking into account the main quality and safety requirements of the product.

Facchini's commitment has always been to honour the contracts signed with its suppliers and partners. Aware of the value of their work, the Facchini's management has always been committed to meeting the terms and conditions of the contracts, deadlines and, if necessary, to make payments in advance in times of difficulty or crisis.

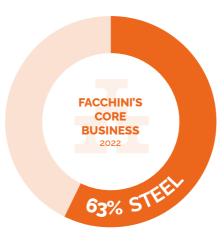


4.7 USED MATERIALS RAW

Facchini's main core business is the production of steel components, which account for more than 63 % of the materials used in production. Although the market has mainly required processing this type of metal, other materials regarding which annual consumption is reported are also processed at the same time.

The main raw materials used in the production process are all certified:

- Seamless steel E235 + N in accordance with the UNI EN 10305-4 standard;
- AISI304 and AISI316 stainless steel;
- DHP Copper;
- Brass;
- Aluminium;
- Sheet DE S235J2, DE275J2, DE DD11 RC



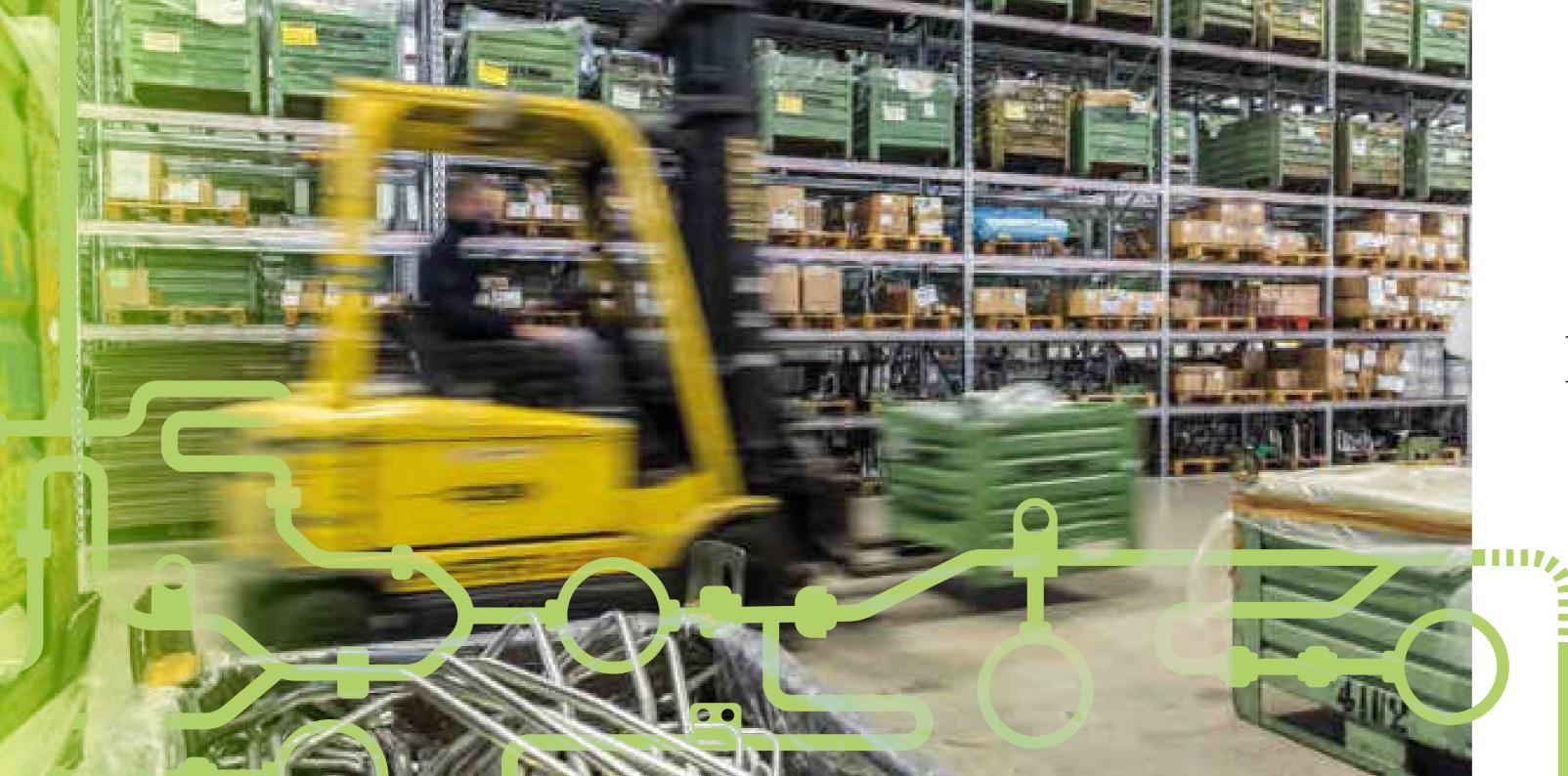
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GRI 301-1)

IATERIALS USED PER UNIT OF MEASUREMENT

MATERIALS USED	UNIT OF MEASUREMENT	From 1 st January to 31 December 2019	From 1 st January to 31 December 2020	From 1 st January to 31 December 2021	From 1 st January to 31 December 2022
Steel	TON.	326,592	290,857	541,685	402,671
Stainless steel	TON.	13,069	14,484	27,244	32,988
Copper	TON.	4.433	1,909	4,559	9,773
Brass	TON.	3,249	3,104	4.713	4,301
Aluminium	TON.	0,123	0,17	0,997	3,771
Sheet-metal	TON.	0	0	0	67,052
Metal components	TON.	75,81	36,07	98,95	116,34





ENVIRONMENTAL RESPONSIBILITY

The pandemic crisis has confirmed the events partly shown by climate change, showing how natural, social, and economic systems are strongly interconnected. Pursuing a development model and limiting its environmental impacts is one of the priority and compulsory choices that our company also aims to make.



Castrezzato premises

Facchini's production cycle is characterised by cold deformation of metal pipes. The 6-meter-long commercial bars in the cutting department are processed on automated, semi-automated or manual systems, cut to size, cleaned internally using a special washing machine connected to the system or in a dedicated industrial washing machine. **Washing fluids are regularly collected and disposed of as R13 waste.**

None of the production cycle steps envisages using or draining water into the main water supply system.

The steps following the cutting are the deformation of the ends, bending according to the customer's design; for one type of product, processes are completed by welding with an oxyacetylene torch or with a controlled atmosphere brazing furnace. With regard to welding, component coupling steps are carried out with MIG tack welding, coating with paste or copper rings, brass bars.

The emissions from the brazing furnace flues are periodically checked and certified by an external laboratory and they always fall within the limits of the standard.

The products are then sent to surface treatments (electrolytic zinc plating for 90% of the products and cataphoresis and/or coating for the rest) by certified suppliers.

Once returned from the treatment, the products go to the air leak test, oil flushing, assembly of components (fittings, hoses, rubber sleeves, polyethylene liners, etc.) with special machines and dedicated equipment, and then packaging and shipping steps.

Facchini ships about 80 % of its products in returnable containers and groupage transport together with other suppliers to optimise the load and route of the vehicles.









Flero premises

Facchini's production cycle at the Flero plant is characterized by cold moulding of sheet metal and CNC machining of parts to design

External profiles of the components are obtained from commercial metal sheets made of various materials such as mild steel or structural steel, using special dies for cutting and laser cutting. They are then moulded in different shapes using presses with a pressing force of up to 160 tons.

Flanges, fittings, connectors and other components are obtained from bars, using numerical control systems.

Cooling lubricants (intended as chemical water) for processing are periodically collected and disposed of as R13 waste.

None of the production cycle **steps envisages using or draining water** into the main water supply system.

These components are then assembled to the pipes by welding with oxyacetylene torch or through a controlled atmosphere brazing furnace in the Castrezzato plant.







Facchini's main environmental indicators are derived for the most part from electricity consumption, gas consumption and waste management.

5.2.1 Electricity, gas and cogeneration heating system

Below is data on electricity consumption over the last 4:

ENERGY CONSUMPTION WITHIN THE ORGANISATION (IN KHW)

ENERGY CARRIERS	UNIT OF MEASUREMENT	· · · · · · · · · · · · · · · · · · ·	From 1st January to 31 December 2020		
Natural gas *	sm3/anno	53.660	39.287	70.319	63.716
Electricity purchased from the grid	KWh	977.529	818.484	1.158.310	1.369.733
Of which from renewable sources	KWh	430.112	277.254	486.490	616.379
Car fleet fuel					
Gas oil	Litri	277.254	7.411,4	9.667,5	12.057,8

*In 2019 gas for production only ; since 2020 also for heating

80% of Facchini's electricity consumption has been taken by production plants and the remaining 20 % by LED lighting.

The gas is used for the supply of welding furnaces and only partially for heating.



The cogeneration heating system

Having two brazing furnaces, powered by methane gas, Facchini has set up a cogeneration plant that uses the heat from the cooling water of the furnaces. Instead of dissipating the heat from the water outside the company, the water is recirculated in the heating system of the company which supplements with the boiler capable of producing the heat required for the whole plant. Thanks to the heat of the water recovered from one of the two furnaces, the company is able to cover the heating costs of the 720 square meters of the office and service area. The heat produced by the second furnace, on the other hand, complements the heat generated by the boilers. The estimated cost savings for each furnace due to non-consumption of methane in 2021 amount to around 3,700 euro, corresponding to 90,158 kWh/year produced in-house. With the sky-rocketing methane costs in 2022, compared with domestic energy production, the savings amounted to 11,120 euro per furnace per year. The significant savings in cubic meters of methane required to heat the company mean that 18 tons of CO2 in the air per year can be avoided, which in turn is equivalent to 180 trees planted.

THE COOLING THIS SUPPLEMENTATION THE COGENERATION SYSTEM USES HEAT WATER IS CAN PRODUCE THE HEAT FROM THE COOLING RECIRCULATED NEEDED FOR THE OFFICES WATER OF THE SUPPLEMENTING AND PART OF THE PLANT THE BOILER OVENS SAVING: 90.158 KWH/YEAR (APPROX. 3,700€/YEAR)



Fuel

As regards diesel consumption in 2022, it is reported that during the year the vehicle fleet grew as a result of the inclusion of two vehicles and also for the management of the Flero production site.

5.2.2 Water Consumption

The increase in water consumption is mainly due to a failure of the water supply system which is under maintenance. Facchini use water only for civil use.

Exceptionally in 2021 and 2022 it was used for cooling brazing furnaces.

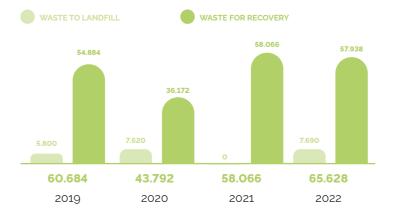
(GRI 303-3) WATER SAMP PER SOURCE					
DRAWING SITE	UNIT OF MEASUREMENT	From 1 st January to 31 December 2019	From 1 st January to 31 December 2020	From 1 st January to 31 December 2021	From 1 st January to 31 December 2022
Source		Fresh water	Fresh water	Fresh water	Fresh water
Third-party water resources (aqueduct)	M ³	325	254	1359	2318

5.2.3 Waste Management

For years, the Facchini has been pursuing a waste management and differentiation policy that involves all employees, from production to offices, for day to day activities. The canteen and production environments have been equipped with bins dedicated to glass, cans, batteries, paper, plastic and organic material produced in the company the canteen area.

The main industrial waste produced by Facchini is placed in special containers and collected by specialised companies. The waste is mainly characterised by ferrous waste, which is then returned to the production circle through a supplier for reuse. The bulk of special waste is spent oil; it is collected and delivered for reuse through a specialised company.

SPECIAL WASTE 2019-2022 (Kg)







5.2.4 Emissions into the atmosphere

The production of energy from non-renewable fossil sources is responsible for the release of greenhouse gases into the atmosphere and the resulting climate change.

In order to fulfil the commitment that the business world is called upon to support, contributing to the achievement of Agenda 2030 Goal 13, with this first sustainability report, Facchini has launched an initial process of measuring and estimating the emissions generated by its activities.

Emissions are mainly greenhouse gases (GHG), ozone-depleting substances (ODS), nitrogen oxides (NOX), sulfur oxides (SOX) and others. GHG ("Green House Gas") emissions have a substantial impact on climate change and they are governed by the United Nations Framework Convention on Climate change and the subsequent Kyoto Protocol.

The GHG Protocol classified GHG emissions as follows:

- Scope 1: Includes direct GHG emissions from direct fuel consumption;
- **Scope 2**: Includes indirect GHG emissions due to energy consumption from the national electricity distribution network;
- **Scope 3:** Includes indirect GHG emissions generated by the work of the Organisation, including upstream and downstream emissions (from air or train journeys to inbound logistical transport and more).

Facchini performed an initial quantification of emission estimates as per scope 1 and scope 2 for 2021-2022, in the coming years, it will undertake to extend the calculation to those covered by scope 3, which will require the systematic start of a more comprehensive data collection by calculating its direct and indirect emissions from major processes and the processing of an accurate calculation.

SITE	UDM	NATURAL GAS	GAS OIL	PETROL	ELECTRICITY	тот
2021	TON CO₂eq	145,23	34.94	-	458,29	638,45
2022	TON CO₂eq	131,59	43.57	-	541,94	717,10
YEAR	R SCOPE 1 TON CO ₂ eq			SCOPE		
2021		180,16			458,29	
2022		175,16			541,94	

Some technical considerations related to the above calculation, the reporting will be more accurate in the coming years.

- The table of national standard parameters has been used for heat values instead of the DEFRA database, as it is more appropriate given the geographical position in Italy;
- For the calculation of CO2 emissions, the marketplace has been assessed with a gate-to-gate logic;
- The increase in tons of CO2eq in 2022 is to be seen in the context of the inclusion of consumption at the new Flero premises.

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METHODOLOGICAL NOTE

Our Sustainability Report, aimed at all stakeholders, aims to provide a balanced and reasonable representation of the Facchini's approach to sustainability, taking into account both the positive and negative impacts generated by the management of the company.

6



Reporting criteria, standards, and goals

This Report was drawn up based on the Sustainability Reporting standards published in 2016 by the Global Reporting Initiative (GRI), taking into account the new GRI 1, 2,3, which entered into force on 01 January 2023. All reported GRI indicators refer to this version, except for indicators 303 and 403, which refer to the 2018 version and indicator 306, which refers to the 2020 version. The first Facchini Sustainability Report according to the GRI in the "With reference to" mode was drawn up with the aim of pursuing continuous improvements in this regard over time.

This report was approved by the Board. This Report is the instrument for reporting our commitment to the ESG (environmental, Social and Governance) criteria. The data contained therein are updated to 31.12.2022 and are correlated and compared with the 2019-2022 four-year period.

Reporting perimeter and period analysed

Our Sustainability Report:

- Is the result of the internal data collection process shared between various corporate functions;
- It was prepared by the Sustainability Manager, who was recruited to promote the development and implementation of corporate social responsibility objectives, in collaboration with an external sustainability advisory team;
- It was overseen and approved by the Board of Directors.

The document will be disseminated both inside and outside the company, in order to communicate to employees and stakeholders initiatives to achieve the goals of greater efficiency and sustainability.

With regard to economic, social and environmental data and information, the reporting perimeter is specified below for each GRI indicator, distinguished by field of operation.

We point out that Facchini acquired on July 1, 2022 the business branch of the supplier Fratelli Arfiero S.N.C., incorporating a process outsourced in previous years. There were no significant changes in the company structure.



Perimeter and Content Index (GRI)

Below is the reporting perimeter and their relationship between the material issues, the GRI identified.

MATERIAL TOPICS	GRI STANDARDS	PERIMETER
Economic value	201	Facchini Francesco SpA
Supply chain	204	Facchini Francesco SpA
Anti-corruption	205	Facchini Francesco SpA
Materials	301	Facchini Francesco SpA
Energy intensity	302	Facchini Francesco SpA
Water resources	303	Facchini Francesco SpA
Emissions into the atmosphere	305	Facchini Francesco SpA
Waste	306	Facchini Francesco SpA
People	401, 405	Facchini Francesco SpA
Health and safety	403-8 403-9	Facchini Francesco SpA
Training	404	Facchini Francesco SpA

In order to ensure the reliability of the data, the use of estimates was limited as far as possible. Where available, estimates are appropriately reported and based on the best available methodologies.

The table above shows the GRI indicators reported in this Sustainability Report. A reference to the chapter or section is given at each indicator or, where the data or information is not contained in the text, a description of the indicator is given.

GRI STANDARDS	INFORMATION	PAGE	NOTES AND OMISSIONS	GRI STANDARDS	INFORMATION	PAGE	NOTES AND OMISSIONS
Statement of use	Facchini has reported the information mentioned in this for the 2019 -2020 – 2021 – 2022 period with reference to GRI standards.	Methodological Note			2-27 Compliance with laws and regulations	Chap. 2 Corporate identity	
GRI 1: Fundamental principles Version 2021	GRI 1: Foundation 2021				2-28 Membership in associations	Chap. 2 Corporate identity	
GRI 2: General notice 2021	2-1 Detail of the organisation	Chap. 2			2-29 Approach to stakeholder engagement	Chap. 1 Sustainability strategy	
	2-2 Entities included in the organisation's sustainability reporting	Corporate identity Methodological Note			2-30 Collective labour agreements	Chap. 3 Social responsibility	
	2-3 Reporting period, frequency and point of contact	Methodological Note		GRI 3: Material topics 2021	3-1 Process for determining material topics	Chap. 1 Sustainability strategy	
	2-4 Review of information	There are no revisions			3-2 List of material topics		
	2-6 Business, value chain and other business relations	Chap. 4 Financial responsibility			3-3 Management of material topics	Chap. 1 Sustainability strategy	
	2-7 Employees	Chap. 3 Social responsibility		GRI 201: Economic topics 2016	201-1 Direct economic value generated and distributed	Chap. 3 Social responsibility	
	2-8 Non-employed workers	Chap. 3 Social responsibility		GRI 204: Procurement practices 2016	204-1 Proportion of expenditure to local suppliers	Chap. 4 Financial responsibility	
	2-9 Structure of governance and organisation	Chap. 2 Corporate identity		GRI 205: Anti-Corruption 2016	205-3 Confirmed corruption incidents and actions taken	Chap. 2	No incidents of
	2-10 Appointment and selection of the highest governing body	Chap. 2 Corporate identity				Corporate identity	corruption were recorde in 2022
	2-11 Chairman of the highest governing body	Chap. 2 Corporate identity		GRI 206: Anti-competitive behaviours 2016	206-1 Lawsuits for anti-competitive conduct, breach of Italian competition authority regulations and monopoly practices		There were no legal actions for anti- competitive conduct,
	2-16 Communication on criticalities	No criticalities were observed				Chap. 2 Corporate identity	breach of Italian competition authority
	2-17 Collective know-how of the highest governing body	Chap. 2 Corporate identity					regulations and monopoly practices in
	2-19 Remuneration policies	Chap. 3 Social responsibility	GRI 301. Materials 2010		301-1 Materials used	Chap. 4	2022.
	2-22 Declaration on the sustainable development strategy	Letter to the Stakeholders			302- 1 Energy consumed within the Organisation	Financial responsibility Chap. 5	
	2-23 Commitment to policy	Chap. 2 Corporate identity				Environmental responsibility	
	2-24 Supplementation of commitments in terms of Policy	Chap. 2 Corporate identity					
	2-25 Processes to remedy negative impacts	Chap. 1 Sustainability strategy					

GRI STANDARDS	INFORMATION	PAGE	NOTES AND OMISSIONS
GRI 303: Water 2018	303-3 Water extraction	Chap. 5 Environmental responsibility	
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	Chap. 5 Environmental responsibility	
	305-2 indirect GHG emissions (scope 2) from energy consumption	Chap. 5 Environmental responsibility	
GRI 306: Waste 2020	306- 3 Waste produced	Chap. 5 Environmental responsibility	
GRI 401: Occupation 2016	401-1 New hires and turnover	Chap. 3 Social responsibility	
GRI 403: Occupational health	403-5 Training of workers occupational health and safety	Chap. 3 Social responsibility	
and safety 2018	403-9 Occupational accidents	Chap. 3 Social responsibility	
GRI 404: Training 2016	404-1 Annual training hours in average per employee	Chap. 3 Social responsibility	
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and among employees	Chap. 3 Social responsibility	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	Chap. 3 Social responsibility	No incidents of discrimination were recorded in 2022.
GRI 418: Customer privacy 2016	418-1 Proven complaints regarding customer privacy breaches and loss of customer data	Chap. 4 Financial responsibility	In 2022, there were no reports of breach of customer privacy.
GRI 419: Socio-economic compliance 2016	419- 1 Non-compliance with social and economic laws and regulations	Chap. 2 Corporate identity	No social and economic non-compliance were recorded in 2022.

For more information and insights, see www.facchini.it

If you have any comments, requests or suggestions for improvement on the content submitted, please send an email to info@facchini.it

"We thank all the collaborators who participated in the creation of this first 2022 Sustainability Report. It represents the beginning of new goals for our company."

Marinella, Fabrizio e Daniele Vertua

This 2022 Sustainability Report has been prepared with the contribution of the Management and area contacts directly interested in the topics reported.

Technical methodological support, graphic design and layout



Texts:





HETAL HOPE HANDFACTURE





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