

DOLOMITE FRANCHI SPA

SUSTAINABILITY REPORT 2024



**Dolomite
Franchi**

METHODOLOGICAL
NOTE

The 2024 Sustainability Report by **Dolomite Franchi S.p.A.** has the purpose of reporting and communicating to stakeholders the company's initiatives related to sustainability, while illustrating its environmental, social and governance performance.

This third edition of the report, covering the financial year 2024, maintains continuity with the previous edition, being drafted according to the “*with reference to*” option of the latest Global Reporting Initiative (GRI) standards (2024). However, the approach for the study of ESG impacts, risks and opportunities has been structured in line with the guidelines of the European Union's new sustainability reporting directive, the Corporate Sustainability Reporting Directive (CSRD), and the related ESRS standards.

In this context, impacts - positive and negative, actual and potential - generated by the company were mapped, together with financial risks and opportunities, adopting the principle of double materiality. The metrics of magnitude and, for potential impacts,

probability, remain; however, to ensure a more accurate analysis, magnitude has been broken down into three components: scale, scope, and, for negative impacts, irremediable character.

Compared to the 2023 Sustainability Report, the materiality analysis has been updated, while the scope of reference remains unchanged. It continues to include the production site at Via Zanardelli 13 in Marone (BS), and the quarry located in Calarusso, Zone (BS). The aim is to provide a more current and detailed overview of the actions undertaken by the company. Regarding stakeholder engagement and the validation of impacts, risks, and opportunities (IRO), for 2024, the decision was made to involve internal stakeholders only.

This document was drafted while following the principles of materiality, inclusiveness, completeness, accuracy, balance, clarity, comparability, reliability and timeliness. In addition, the Sustainable Development Goals to which Dolomite Franchi is constantly committed to are also mentioned.

The contents of this report refer exclusively to Dolomite Franchi S.p.A. and do not include data from the INTOCAST AG Group. The reporting period covered is from January 1 to December 31, 2024; however, for context and comparison purposes, the document also includes information from the previous three years.

TABLE OF CONTENTS

Letter to Stakeholders	6	Environment	42
Vision	8	Energy and energy efficiency	44
Mission	9	GHG emissions and environmental management	48
		Environmental management system and pollution prevention	53
The Intocast Group	10	Resource use, circular economy and waste	55
Dolomite Franchi:	14	Waste management and treatment	58
About us	14		
Our product lines	17	Social	62
Bricks	17	People management, welfare and skills development	64
Mixes	18	Employees well-being	70
A precise and on-time technical support service	19	Training and personal growth	72
		Health and safety	74
Our History	20	Creating value within the community	77
Highlights	22		
Values and principles	24	Governance	80
The Sustainable Development Goals	26	Corporate organisation and governance guidelines	82
		Integrity and transparency in business management	84
The material topics and impacts of Dolomite Franchi	28	Innovation, Research & Development	90
The concept of materiality and the impact assessment	29	Customer satisfaction	93
The analysis phases	31	Privacy and data protection	95
Identification of Impacts, Risks and Opportunities	32	Supply chain management	96
Conclusion of the first analysis phase (IRO pre-validation)	34	Economic and financial value creation	98
Stakeholder engagement	35		
Conclusion of the second phase of analysis (post-validation IRO)	37	GRI Content Index	102
The material topics of Dolomite Franchi	40		

LETTER TO STAKEHOLDERS

As the 2024 financial year comes to a close, Dolomite Franchi continues with determination along the path set in previous years: presenting its Sustainability Report (or Non-Financial Statement) to its stakeholders and to the communities where it has been active for over a century. This document, as emphasized in the European Commission's 2001 Green Book, plays a key role in integrating social and environmental considerations into business strategy and stakeholder engagement.

The Sustainability Report provides a thorough overview of Dolomite Franchi's operations, highlighting not only financial and accounting data but also the strategic investments that support long-term value creation. These initiatives, although sometimes not directly tied to core production activities, deliver meaningful benefits to various stakeholder groups. Understanding these actions is essential to recognizing the broader value the company generates—extending beyond economic performance to include social and environmental contributions.

The discussion around corporate social responsibility has a long-standing history, shaped by initiatives such as the United Nations Global Compact, the ILO Tripartite Declaration on Multinational Enterprises, and Jacques Delors' White Paper, which promoted a more inclusive and sustainable economy. Over the years, these frameworks have helped guide the evolution of corporate behaviour and a deeper commitment to sustainability.

Dolomite Franchi's focus on sustainability is aligned with the EU Directive 2022/2464, the Corporate Sustainability Reporting Directive (CSRD), which will soon require companies to meet mandatory standards for sustainability reporting. This legislation encourages businesses to align their strategies with long-term environmental and social goals, responding to today's global challenges with accountability and foresight.

In this context, Dolomite Franchi remains strongly committed to the responsible use of natural resources and to ongoing research and development aimed at

improving the quality and sustainability of its products. We are investing in innovation that not only enhances our production processes but also supports the well-being of the communities where we operate. This includes promoting continuous learning for our employees and building constructive partnerships with suppliers and strategic allies.

These values are at the core of our Sustainability Report and reflect our long-term vision: a shared responsibility for people and the planet. By upholding ethical and responsible business practices, we demonstrate that product quality and sustainable resource management go hand in hand.

Alessandro Romano
President of
Dolomite Franchi S.p.a.



VISION

Attention to **people**, **constant improvement**, **compliance with environmental and safety regulations** and **sustainability** are the fundamental pillars of Dolomite Franchi's vision. These principles are enriched further by another essential value: **quality**, which is not only found in the products and in the precious raw materials, but also in the corporate culture that the organization is committed to spreading and developing.

The quality of the materials is carefully assessed and continuously perfected by the internal research and development laboratory, which ensures compliance and promotes constant innovation to meet the needs of the most demanding customers.

Dolomite Franchi operates by actively involving stakeholders in the implementation of its vision, with the aim of supporting an increasingly advanced steel industry and responsibly fulfilling its environmental and social commitments, strengthened by the deep bond that the company has had with the territory in which it has been operating for over a century.



“Producing dolomite-based refractory material for steelmaking use through advanced technologies in production processes, in quality assurance and in safety and environmental protection”.

Dolomite Franchi's mission translates into a series of concrete actions that represent the pillars of its corporate strategy: in particular, the company is committed to **safeguarding the environment** and **ensuring the health and safety** of its workers, adopting measures aimed at reducing pollution and waste, as well as the risks related to accidents and occupational diseases. In addition, it aims to **meet** the needs of **customers** by offering innovative and high-quality products, to enhance staff through **training**, **involvement** and **motivation**, promoting their **well-being** and **professional growth**.

Dolomite Franchi adopts an approach geared towards continuous improvement, optimizing the effectiveness of management systems, products and production processes in order to achieve these objectives.

MISSION



As of 1 December 2017, Dolomite Franchi S.p.A. became part of the **INTOCAST AG Group**, a leader company in the refractory materials sector. The Group's core business is the production and marketing, on an international scale, of formed and unformed refractories, auxiliary casting products and agents for the treatment of metallurgical slag. In addition, it provides customised plant solutions following every step of the process, from design to installation and commissioning of the systems and products offered.

After having taken over the business operations of Eugen Schwarz GmbH, a company active since 1922 in the supply of consumables for the steel industry in Germany and also in the rest of Europe, INTOCAST was founded in 1979. Through mergers and acquisitions, the Group has progressively expanded its presence to become a global player that has been a leader in refractory products and plant engineering for over 45 years. Today, INTOCAST has 12 locations in Germany and 19 abroad, with a workforce of more than 2,000 employees worldwide.

The INTOCAST AG Group adopts a strongly locally rooted entrepreneurial approach, with a focus on direct relationships, in particular with customers, and focusing on continuous innovation. By constantly investing in research and development, the company is able to offer efficient, high-quality solutions that are geared towards generating a lower global impact.

A horizontal banner with a dark, textured background featuring glowing orange and yellow sparks and embers. The text "EXPERTS ON FIRE." is written in a bold, orange, metallic-looking font with a slight 3D effect.





Finished products are customised and tailor-made, including the design and commissioning of complete plants. In addition, the group also extracts the raw materials for its products from its own mining operations: dolomite is mined by Dolomite Franchi in Italy, magnesite in Slovakia and fireclay in South Africa.

The group's global experience is supported by highly qualified specialists, who work on research and development in order to offer the most innovative solutions to fully meet customers' needs.

This Sustainability Report exclusively concerns Dolomite Franchi S.p.A., therefore all information and data presented refer only to this company.





DOLOMITE FRANCHI

ABOUT US

Since **1919**, Dolomite Franchi S.p.A. has been active in the production of **both formed and unformed dolomite refractories**, mainly used in the lining of electric arc furnaces (EAFs), ladles, AOD converters and other plants used in the steel industry. Dolomite Franchi products are essential in all industrial processes that require high temperatures (over 1200°C), thanks to their high resistance to heat and intense chemical and mechanical stress.

These characteristics, combined with their excellent quality/performance ratio and low oxidation potential, make them particularly suitable for processing stainless steel. Their ability not to release oxygen into the liquid steel makes them perfect for interacting with basic slag, thus improving steel desulphurisation, reducing non-metallic impurities, minimising the risk of clogging during casting and optimising ferroalloy yield.

Nowadays, Dolomite Franchi is one of the leading suppliers of dolomite refractories globally. Its success derives from the exceptional quality of the raw material, extracted directly from its own quarry, and the century



of experience gained in its processing, thus guaranteeing a reliable, high-quality product. In addition, its strategic location in Marone, on the shores of Lake Iseo, enables the distribution of finished products to Italian, European and international steel mills, thanks to a logistics network that includes road, rail and container transport by sea.

The raw material used by Dolomite Franchi S.p.A. is a **dolomite** of high and constant purity over time, extracted from the Calarusso quarry, located in the municipality of Zone: it is an open-cast quarry with a high-quality deposit, located a few steps from the processing plant. After extraction and crushing, the dolomite is transported to the factory via a cableway, and here, it is washed, sorted and then loaded into vertical furnaces. A firing process at high temperatures (about 1,900°C) leads to calcination and subsequently sintering of the natural stone, obtaining **sinterdolomite**. This material is the basis for the production of bricks and refractory masses, the company's two main product lines.

Dolomite Franchi's products contain the word "**PENTA**" – which indicates belonging to a family of products identified with a pentagon, the logo of the company itself –, followed by various endings (-BRICK, -DOL, -SOL, etc.), which define their uses.

The basis of Dolomite Franchi's corporate strategy is to guarantee the highest quality in every process and product, implementing all the necessary actions to ensure that work activities are carried out efficiently and reliably. The goal is to fully satisfy the needs of customers, guaranteeing high standards in terms of quality, service, safety, environmental protection, optimal use of energy resources and compliance with current regulations. Dolomite Franchi has also achieved these objectives thanks to the implementation of the certified management systems UNI CEI EN ISO 9001:2015 (Quality Management System), UNI CEI EN ISO 14001:2015 (Environmental Management System), UNI CEI EN ISO 45001:2023 (Management Systems for Health and Safety at Work), UNI CEI EN ISO 50001:2018 (Energy Management System). The certifications, together with the **Code of Ethics**, the **Company Policy** and the preparation of the **annual** Sustainability Report, ensure continuous internal alignment regarding the objectives and operations, in line with the principles of clarity and transparency.

OUR PRODUCT LINES

The product range is based on dolomite extracted from Dolomite Franchi's own quarry and includes different types of bricks and refractory compounds based on sinterdolomite.

BRICKS

PENTABRICK bricks are extensively used as refractory linings in treatment and casting ladles across numerous steel plants worldwide. Their low oxidation potential prevents the release of oxygen into molten steel, thereby promoting efficient desulfurization—a critical process aimed at reducing or eliminating sulphur and sulphur-based compounds. Moreover, their excellent compatibility with basic slags enhances ferroalloy recovery, while also ensuring extended lining life and optimized refractory material costs.

To address a wide range of application requirements, Dolomite Franchi offers many options of refractory bricks, engineered to perform reliably even under the most demanding operating conditions. Each product is developed using advanced technologies, with a strong focus on minimizing environmental impact and ensuring full compliance with current environmental and safety regulations.



MIXES

The second product line focuses on refractory mixes, primarily used in two key applications.

The first application is in ladles and AOD converters, where these materials are employed to fill areas that, due to their shape, size, or specific characteristics, cannot be lined with bricks—while still ensuring comparable strength and reliability. To meet these requirements, Dolomite Franchi has developed the PENTARAM and PENTAPLAST ranges—plastic refractory mixes designed for the construction of ladles with helical linings, for sealing special components such as purging plugs, dams, and tuyere bricks,

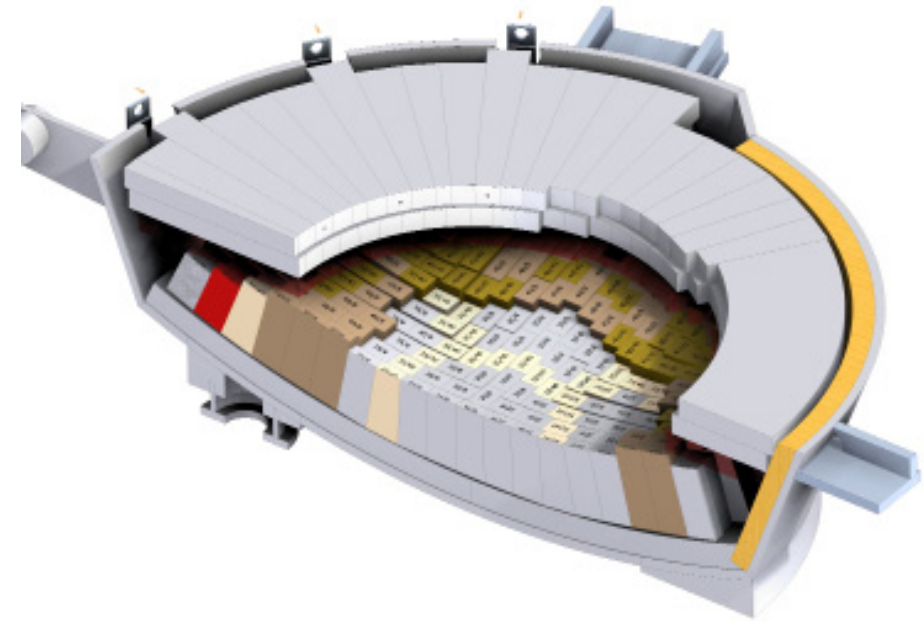
as well as for finishing brick linings. Additionally, PENTAMIX and PENTAFILL mixes are used to fill voids between linings and as a bedding layer for bottom bricks.

The second application involves electric arc furnaces (EAFs), where PENTASOL and PENTADOL are recommended for the construction and repair of critical components—especially the hearth and slag zone—under operating conditions characterized by low iron oxide concentrations and high slag basicity.



A PRECISE AND ON-TIME TECHNICAL SUPPORT SERVICE

Dolomite Franchi's operations go beyond the extraction and processing of refractory products. The company also provides **technical support services** aimed at maximizing customer performance in the use of dolomite-based materials.



Key services include:

- Assistance in the design of refractory linings for furnaces, ladles, and converters;
- On-site support during the installation of refractory linings;
- Optimization of operational procedures within steelmaking facilities;
- Monitoring and optimization of slag performance;
- Guidance in identifying the optimal balance for refractory linings.

OUR HISTORY

Dolomite Franchi from its origins until today:

1919 Attilio Franchi, a pioneer of the Italian steel industry, founds Dolomite Franchi in Marone; the production of monolithic masses for Martin-Siemens furnaces begins.

1956 The company patents and starts to produce the DOLOBLOC, huge, prefabricated blocks used for the walls of electric furnaces and Martin-Siemens furnaces.

1980 The old mine in Marone is closed and the new Calarusso's quarry is opened in the municipality of Zone.

1984 The new plant is inaugurated to produce PENTABRICK, tempered dolomite bricks that are used in Secondary Metallurgy.



1989 48% of Dolomite Franchi's shares is acquired by VEITSCH-RADEX AG, a company in the RHI Group (world's leader in the production of refractories, located in Vienna).



2017 Intocast AG, a global player in the field of refractories based in Ratingen (Germany), took over 100% of Dolomite Franchi.

2011 Dolomite Franchi obtains the certification for its Occupational Health and Safety Management System in accordance with BS OHSAS 18001:2007, then migrated in 2020 to the UNI EN ISO 45001:2018 standard.

2007 RHI completes the acquisition of Dolomite Franchi, which becomes the second world producer of dolomite, with the brand "Penta".

2003 Dolomite Franchi obtains the certification for its Environmental Management System in accordance with UNI EN ISO 14001:2015.

1997 Dolomite Franchi obtains the certification for its Quality Management System in accordance with UNI EN ISO 9001:2015.

1993 RHI Group becomes the major shareholder of Dolomite Franchi.

2019 Dolomite Franchi celebrates 100 years of activity.

2022 Dolomite Franchi obtains the certificate of conformity for the construction of dolomite aerated construction lime in accordance with EN 459-1:2010.

2023 First industrial production of formed products with ecological binder.

2024 Dolomite Franchi obtains the certification for its Energy Management System in accordance with UNI CEI EN ISO 50001:2018.



HIGHLIGHTS

100+

Years of history
and experience

Around
200

Employees

70%+

Employees from Marone
or neighbouring
municipalities

20%

Employees under
30 years of age

150+

Customers
worldwide

40

in Italy

100.000+

Tonnes of finished
product in 2024

Social fund to support
employees' families

97%+

Waste produced
sent for recovery

2.400+

Tonnes of non-compliant product
recovered and reprocessed in the
production cycle

350.000+

Tonnes of dolomite mined
and processed per year

20.000+

Laboratory checks on raw
materials and finished
products per year

4

Certified management
systems (Quality, Environment,
Health and Safety, Energy)

1.700+

Hours of training
provided in 2024

5.000+

Hours in R&D



VALUES AND PRINCIPLES

Dolomite Franchi recognizes the importance of grounding its operations in **strong ethical principles**, which are essential for building and maintaining its reputation both nationally and internationally—among suppliers, customers, and competitors alike.

In recognition of this responsibility, the company formalised the core values of its corporate culture in 2010 with the adoption of a **Code of Ethics**. This document, regularly updated with the approval of the Board of Directors, goes beyond compliance with applicable laws and provides clear behavioural guidelines for everyone working with or on behalf of the company, both internally and externally. It serves as a key reference point for promoting shared corporate values and standards of conduct, and is fully integrated with the company's **Organizational, Management and Control Model** as outlined in Legislative Decree 231/2001.

A central value for Dolomite Franchi is the **protection of the individual**, expressed through a strong commitment to workplace safety, the prevention of all forms of discrimination, the safeguarding of privacy, and the promotion of a collaborative and respectful work environment.



PROTECTION OF THE INDIVIDUAL

FAIRNESS AND TRANSPARENCY

INTEGRITY AND LOYALTY

Other fundamental company values include **fairness and transparency**, which guide the company in operating with integrity in its dealings with public institutions, private enterprises, and all stakeholders. Dolomite Franchi is committed to ensuring that all communications—both internal and external—are clear, accurate, complete, and truthful.

The company's ethical approach also rests on the principles of **integrity and loyalty** in its relationships with competitors. Dolomite Franchi believes that competition must be conducted fairly and ethically, striving to stand out in the market by upholding the highest standards. The company firmly believes that only through this approach can it achieve sustainable and long-lasting success.

THE SUSTAINABLE DEVELOPMENT GOALS

The 17 **Sustainable Development Goals (SDGs)** represent the core principles of the United Nations 2030 Agenda, adopted in 2015 by the governments of 193 UN member states as a shared framework for global sustainable development. Achieving these goals requires the active collaboration of institutions, organizations, businesses, and civil society.

For this reason, this document will not analyse the topics addressed solely through the lens of the Global Reporting Initiative (GRI) standards but will also relate them to the relevant Sustainable Development Goals.

The objective is to identify and assess how Dolomite Franchi’s environmental, social, and governance (ESG) initiatives in 2024 have contributed to the achievement of these global objectives.

Throughout this report, the actual and potential positive impacts, as well as the material opportunities identified by Dolomite Franchi, will be linked to the specific Sustainable Development Goals to which the company contributes.



SDGs	TOPIC	IMPROVEMENT ACTIONS 2024
 	Energy and energy efficiency Emissions into the atmosphere	Replacement of original tempering furnace burners with more efficient burners Installation of the control unit for optimized compressed air production ISO 50001 certification
 	Secure employment Training and skills development courses	Provision of a substantial number of hours of training and development of cross-functional skills
  	Corporate well-being	Continuation of: <ul style="list-style-type: none">• Social Fund• Canteen service• Production bonuses• Cumulative accident policy
	Collaboration with local entities	Continuation of: <ul style="list-style-type: none">• Periodic donations to local social realities• Scholarships• Collaboration with the Federation of “Maestri del Lavoro”



THE MATERIAL TOPICS AND IMPACTS OF DOLOMITE FRANCHI



For the analysis of its impacts and material topics, Dolomite Franchi, although not required by law, has adopted the methodology regulated by the new European directive on sustainability reporting (*CSRD – Corporate Sustainability Reporting Directive*)¹ and related ESRS standards². This approach is intended to proactively address market demands and provide reporting that takes into account the developments in the European regulatory framework.

THE CONCEPT OF MATERIALITY AND THE IMPACT ASSESSMENT

According to the ESRS standards, the materiality analysis forms the foundation of sustainability reporting and aims to identify environmental, social, and governance (ESG) topics that are considered relevant—or material—to the company. The materiality of a given topic may result from:

- **Impacts generated** by the company on the world, employees, and/or the community. These impacts can be either positive or negative (with particular attention given to the latter ones, as emphasized by corporate responsibility or due diligence practices), and can be actual (if they have already occurred) or potential (if there is a possibility they may occur).
- **Financial risks or opportunities** related to ESG factors the company is exposed to for various reasons, whether it might be due to impacts generated by the company itself or external factors (such as market conditions, regulations, natural events, and/or geopolitical developments).

¹ CSRD *Corporate Sustainability Reporting Directive* (2022/2464).

² ESRS *European Sustainability Reporting Standard*, retrieved from the European Commission delegated act, dated 31/07/2023.

This dual perspective is called double materiality, as it encompasses two dimensions:

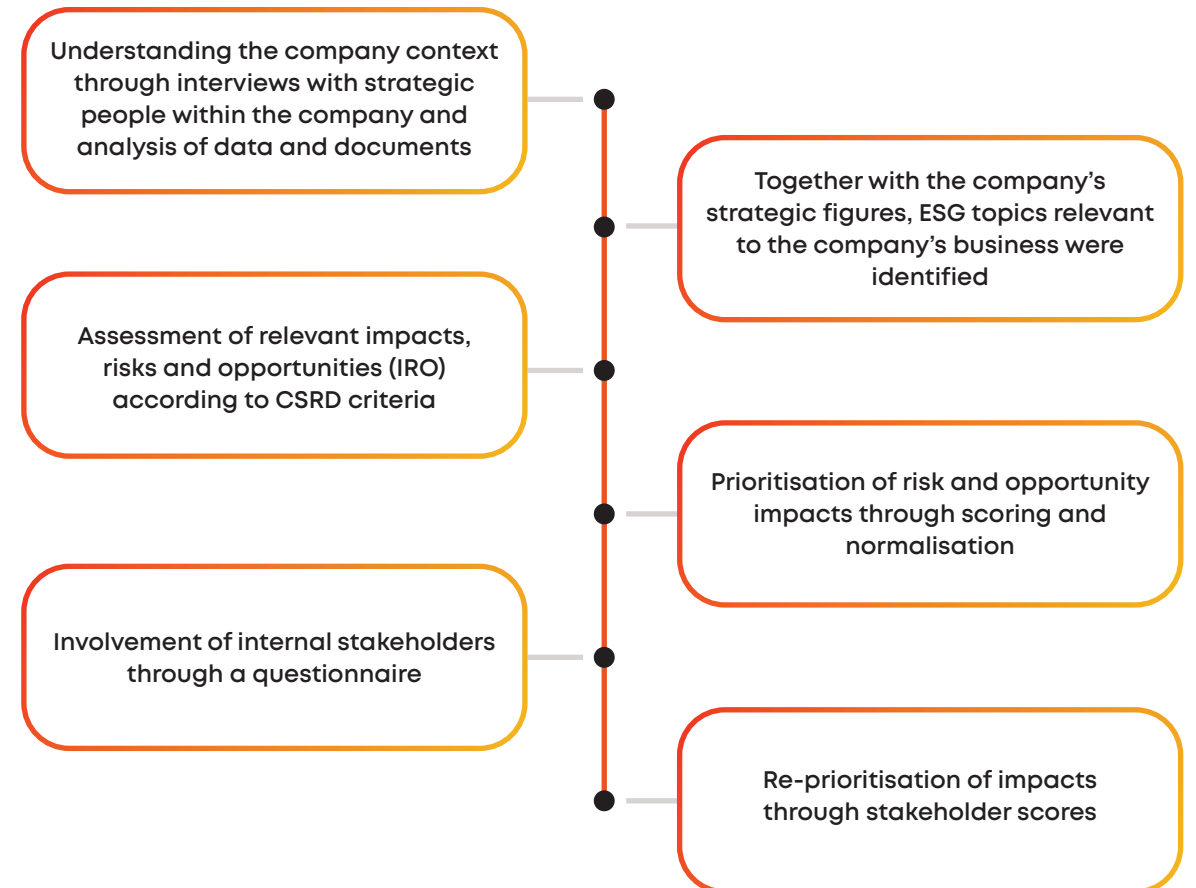
- **Inside-out** (o **impact materiality**, which identifies the effects of the company on the outside world)
- **Outside-in** (o **financial materiality**, which identifies risks and opportunities the company is exposed to)

According to CSRD guidance, a given ESG topic can be considered material according to only one of these two perspectives or according to both.



THE ANALYSIS PHASES

The process that led to the identification of impacts and thus to the most strategic sustainability topics for Dolomite Franchi followed a path divided into several stages. In preparation for a widespread stakeholder involvement, planned for 2025 in collaboration with the Intocast Group, for this reporting period (relating to the 2024 fiscal year) Dolomite Franchi decided to involve only internal stakeholders.



IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

The starting point for identifying impacts, risks, and opportunities at Dolomite Franchi was the study of the **company's context and interdependencies**, analysed in various ways. First, there was a dialogue with key staff members within the company, such as the HSE manager and the manager of the integrated management system.

At the same time, quantitative data related to various environmental, social, economic, and managerial aspects were collected, and several relevant documents, both internal and external to the company, were analysed.

Each identified **IRO (Impact, Risk, Opportunity)** from this analysis was assigned values (on a scale of 1-4), following the criteria outlined by the CSRD³. Both the IROs and their respective values were assessed and approved by key figures and the management team within the company to ensure the most objective, informed, and accurate scores possible.

Specifically, **actual** impacts were evaluated based on their magnitude, which is the average of three values related to the impact itself: **scale** (importance of the generated harm/benefit), scope (extent), and, for negative effects only, **irremediable character** of the impact (possibility or impossibility of restoring the previous situation).

³The reporting standards, both in their official version and in the implementation guidelines provided by EFRAG—the body responsible for drafting the standards—grant companies full flexibility in how they assess materiality. To ensure comparability and objectivity in the evaluation, a consistent scale was adopted to produce results as objective as possible. According to this scale, a score of 4 represents the highest level of each criterion listed below (e.g. very severe/beneficial, very broad in scope, very difficult to remedy, highly likely), while a score of 1 represents the lowest level of that same criterion (e.g. slightly severe/beneficial, limited in scope, easily remediable, unlikely).

The weight of **potential** impacts was determined by multiplying the magnitude (calculated according to the values mentioned above) by the **likelihood** of occurrence.

In studying the generated impacts (both actual and potential), the level of **causality** was also considered, distinguishing between impacts directly caused, contributed to (when Dolomite Franchi is not the sole cause of the impact), or related to the activity (linked to business relationships within the value chain upstream or downstream, but not directly attributable to the company's own activities).

Finally, **risks and opportunities** were assessed based on their **potential magnitude** (namely, the possible economic impact they may have on the company's operations) and on the **likelihood** of their occurrence.

For potential impacts, risks, and opportunities, a time horizon was also identified, in line with the relevant standards, categorised as short-term (within one year from the reporting period), medium-term (within five years), and long-term (beyond five years).

Dolomite Franchi did not limit its assessment to impacts, risks, and opportunities occurring solely within its direct operations, but also began to include certain impacts



across its value chain, particularly upstream. This approach, encouraged by the regulatory framework and detailed in the ESRS⁴ implementation guidelines, allows for a more comprehensive understanding of the organisation's impacts, risks, and opportunities—including those linked to its broader value chain.



CONCLUSION OF THE FIRST ANALYSIS PHASE (IRO PRE-VALIDATION)

In order to effectively compare the relevance of each impact, risk, or opportunity in relation to Dolomite Franchi's operations, the numerical values assigned were normalised into percentages, allowing for a prioritisation of the various topics. As a result, three bar charts were generated: one for actual impacts (both positive and negative), one for potential impacts (positive and negative), and one for risks and opportunities.

⁴IG 1 materiality assessment: https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf

IG 2 value chain: https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/EFrag%20IG%202%20Value%20Chain_final.pdf

After this, the second phase of analysis began—namely, the validation of potential impacts, risks, and opportunities by various internal stakeholders. Actual impacts, having already occurred and been verified, were not submitted for stakeholder consultation.

STAKEHOLDER ENGAGEMENT

The reporting standards and related implementation guidelines, issued in 2024, require reporting companies to engage with stakeholders, meaning those affected by the company's activities, as well as with the “users of sustainability reporting”, such as existing and potential investors, banks, business partners, and others.

Engaging with stakeholders provides valuable insights for the IRO (Impacts, Risks, and Opportunities) analysis, enabling the company to understand how different stakeholder groups perceive these aspects and what priorities they assign in relation to the company's activities.

Dolomite Franchi collected the opinions of the various stakeholders via dedicated **questionnaires**, aimed at



identifying the strategic nature of the various topics with reference to the company itself and its value chain.

The company opted to involve a selection of internal stakeholders, in order, firstly, to facilitate the distribution of the questionnaire and, secondly, because a broader engagement of external stakeholders is planned for the next financial year, in coordination with the parent company, Intocast AG.

In the questionnaire, stakeholders were asked to attribute different levels of strategic importance to each issue surveyed, according to a scale of 1 to 4. To gather as much input as possible, stakeholders were also given the option to write their own opinion in a text box at the end.

A total of 46 stakeholders (employees) participated in the survey.

CONCLUSION OF THE SECOND PHASE OF ANALYSIS (POST-VALIDATION IRO)

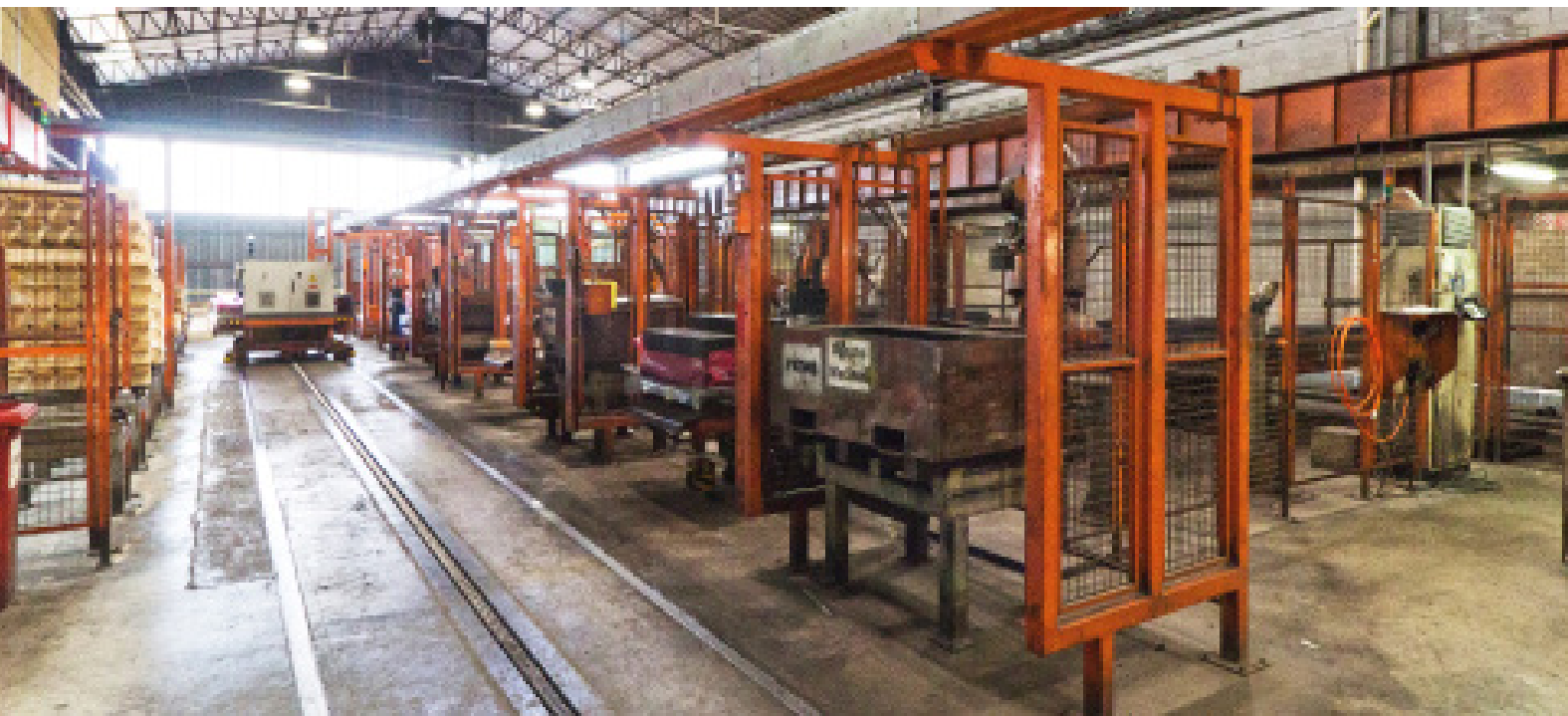
The results of the questionnaires were used to reprioritise the potential impacts, risks, and opportunities (IROs) previously identified.

This methodology enabled the company to assess stakeholder priorities and evaluate the degree of alignment—or divergence—between the perspectives of internal stakeholders and the analysis conducted by key internal representatives.

Next is a selection of the final outcomes from the stakeholder validation phase. Negative impacts and risks are represented in blue, while positive impacts and opportunities are shown in green.

The bar charts illustrate the prioritisation of the various types of IROs: actual impacts (as assessed internally), potential impacts, and risks and opportunities (as validated by stakeholders).

For further information on each IRO, including the strategies adopted by the company to mitigate negative outcomes or enhance positive effects, please refer to the following chapters dedicated to the relevant environmental, social, and governance topics.



ACTUAL IMPACTS

ENVIRONMENT	EMISSION CONTRIBUTION	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	⊖
	USE OF NON-RENEWABLE RAW MATERIAL	<div><div></div><div></div><div></div><div></div><div></div></div>	⊖
	WASTE PRODUCTION	<div><div></div><div></div><div></div><div></div></div>	⊖
SOCIAL	EMPLOYEE WELFARE INITIATIVES	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	⊕
	STEADY EMPLOYMENT	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	⊕
	PARTNERSHIP WITH LOCAL ENTITIES AND ASSOCIATIONS	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	⊕

POTENTIAL IMPACTS

ENVIRONMENT	EMISSIONS OF POLLUTANTS	<div><div></div><div></div><div></div></div>	⊖
SOCIAL	ACCIDENTS AT WORK FOR VALUE CHAIN WORKERS-UPSTREAM VALUE CHAIN	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	⊖
	RISK OF ACCIDENTS AT WORK	<div><div></div><div></div><div></div><div></div></div>	⊖
	INCREASING HARD AND SOFT SKILLS TRAINING	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	⊕

RISKS AND OPPORTUNITIES

ENVIRONMENT	ETS FINANCIAL IMPACT	<div><div></div><div></div><div></div><div></div><div></div></div>	⊖
	EXTREME CLIMATIC EVENTS	<div><div></div><div></div></div>	⊖
	ENERGY COSTS	<div><div></div><div></div><div></div><div></div></div>	⊖
SOCIAL	DIFFICULTIES IN RECRUITING	<div><div></div></div>	⊖
GOVERNANCE	DATA BREACH	<div><div></div><div></div><div></div></div>	⊖
	MULTINATIONAL PARTNERSHIP	<div><div></div><div></div><div></div></div>	⊕
	DEPENDENCE ON SUPPLIERS	<div><div></div><div></div></div>	⊖

THE MATERIAL TOPICS OF DOLOMITE FRANCHI

This analysis provided an opportunity to identify the key ESG topics relevant to Dolomite Franchi, which form the core content of this Sustainability Report⁵. Below, these topics and sub-topics are categorised by sphere (Environment, Social, and Governance) and will be explored in detail in the corresponding chapters.



ENVIRONMENT

- Energy and energy
- GHG emissions and environmental management
- Resource use, circular economy and waste



SOCIAL

- People management, welfare and skills development
- Health and safety
- Creating value within the community



GOVERNANCE

- Corporate organisation and governance guidelines
- Integrity and transparency in business management
- Customer satisfaction
- Privacy and data protection
- Supply chain management
- Economic and financial value creation

⁵ EFRAG IG 1 – Materiality assessment implementation guidance. Par.3 https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf



An aerial photograph of a town and an industrial facility, likely a cement plant, nestled in a valley. The town is built on a hillside, and the industrial complex is in the foreground. The image is overlaid with a green-to-orange gradient, with green on the left and orange on the right.

ENVIRONMENT

Dolomite Franchi places great importance on monitoring and managing the impacts of its operations on the surrounding environment, as well as addressing the risks and opportunities associated with environmental issues and external factors.

The company's production process involves the use of natural resources and requires significant energy consumption, including the use of solid fuels.

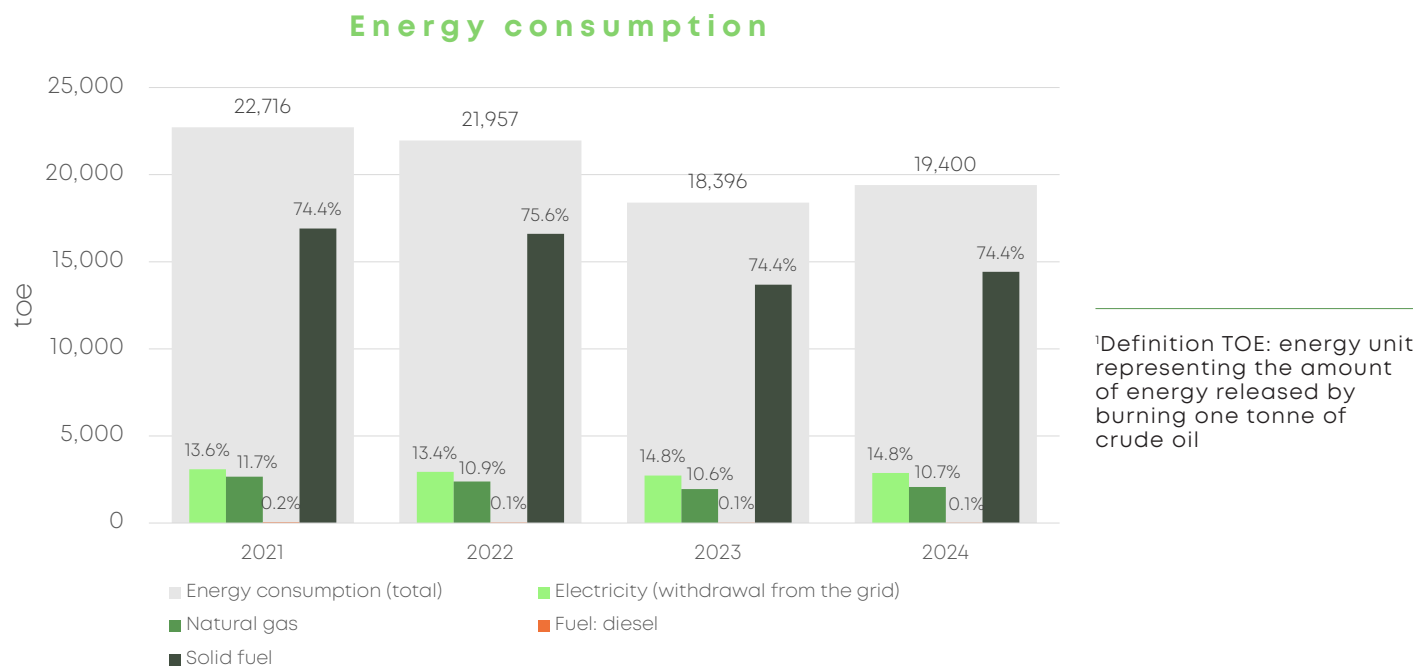
Dolomite Franchi is firmly committed to preserving and continuously improving its environmental management system, which is certified in accordance with the UNI EN ISO 14001 standard and fully compliant with the requirements of the Integrated Environmental Authorization (A.I.A.). As of 2024, the company has further strengthened its sustainability strategies through the adoption and certification of an Energy Management System in line with ISO 50001.

Dolomite Franchi adopts Best Available Techniques (BAT) to reduce and, where possible, prevent emissions into air, water, and soil, while also striving to minimise waste generation and its environmental impacts.



ENERGY AND ENERGY EFFICIENCY

Dolomite Franchi uses various energy carriers for its production activities, including: electricity, natural gas, but also solid fuels such as coke and anthracite, which are essential for the production process. Over the years, solid fuels have remained the most important energy carrier, because they are able to provide the amount of heat required for the sintering of dolomite. Below, you can see Dolomite Franchi's energy consumption for the four-year period 2021-2024. The graph is expressed in toe (tonnes of oil equivalent¹), a unit of energy measurement that makes the different energy vectors comparable with each other.



As the graph shows, the **overall energy consumption** remained substantially stable over the two-year period 2021-2022, with a slowdown in 2023, also due to the decrease in production activity. In 2024, on the other hand, due to a slight increase in production, energy consumption **increased proportionally by about 1,000 toe** compared to the previous year.

Solid fuel (coke and anthracite) is the main energy carrier affecting consumption, followed by electricity and natural gas. Diesel, used mainly for quarry and plant operating equipment, marginally contributes to the total consumption.

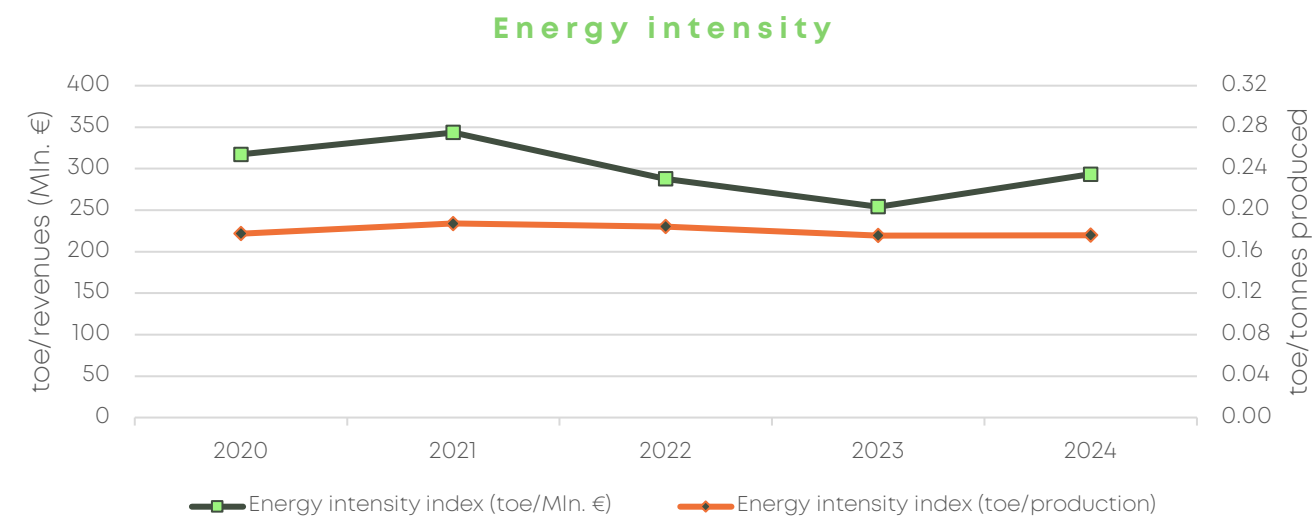
The company, in order to cope with the risk of rising energy costs², among its strategies, sets annual targets for improving the energy efficiency of the plants and plans targeted investments for this purpose. In 2024, for example, the company began replacing some old burners with new high-efficiency ones.

Focusing on **specific energy** consumption, expressed as the ratio of energy used to total production (toe/production), it remained **virtually unchanged in 2024** compared to the previous year.

In contrast, the ratio of energy consumed per million euros of revenue increased. In 2024, approximately 293 toe were used for every million euros in revenue, representing a 15% increase compared to 2023. It is important to highlight, however, that this latter indicator is less reliable, as it is subject to market price fluctuations.

² § Risk: energy costs

The following graph illustrates the mentioned energy intensity trends.



ENERGY MANAGEMENT SYSTEM

Dolomite Franchi demonstrates a strong and ongoing commitment to energy efficiency. In line with this objective, the company obtained **ISO 50001 certification** (Energy Management System) in 2024. This internationally recognised standard provides a structured framework for enhancing energy performance, optimising costs, and ultimately reducing greenhouse gas emissions. This achievement was made possible through a detailed analysis of significant energy use, the implementation of targeted improvement measures, and the establishment of an internal Energy Team. This team plays an active role in company decision-making and in evaluating energy-related initiatives.

Like all ISO standards, ISO 50001 is a dynamic and evolving system. It requires continuous monitoring of energy consumption, performance, and anomalies, with the aim of achieving sustained improvements in energy efficiency. This certification complements the other standards that Dolomite Franchi regularly maintains and renews, and it will be instrumental in identifying opportunities to further optimise energy use across the organisation.





GHG EMISSIONS AND ENVIRONMENTAL MANAGEMENT

GREENHOUSE GAS (GHG) EMISSIONS

Dolomite Franchi is subject to the *Emissions Trading System (EU ETS)*, the European Union's emissions trading system. Given its sector of activity, the company therefore has to send the mandatory annual communication of data regarding CO₂ emissions into the atmosphere (verified by an accredited third party) to the Ministry for the Environment and Energy Security.

In 2024, the free emission allowances allocated to Dolomite Franchi and the system-associated costs remained stable compared to previous years. However, a clear financial risk has been identified: operating costs may rise, and the market value of allowances could increase as the EU's decarbonisation deadlines draw closer³.

Under the ETS, the company has an obligation to keep carbon dioxide emissions resulting from its production process under control (CO₂). In the production process of Dolomite Franchi refractories, greenhouse gas (GHG) emissions are associated with:

- Dolomite **sintering** process;
- Use of solid fuels for **transformation processes**;
- Use of natural gas and diesel.

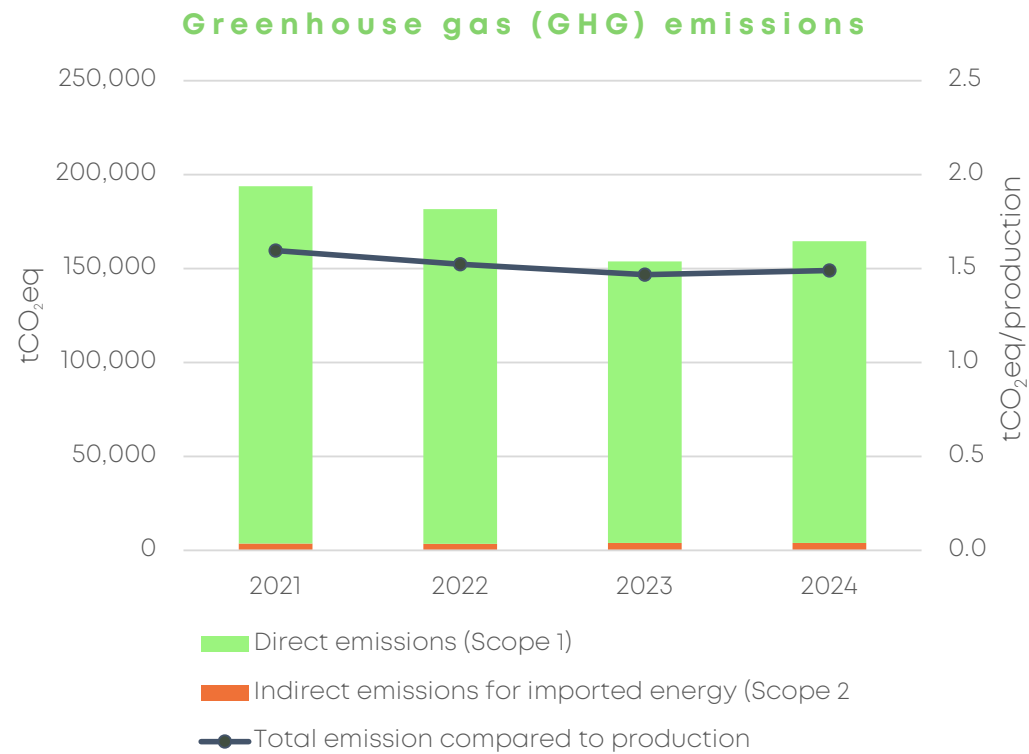


Dolomite Franchi, therefore, constantly monitors and quantifies both **direct emissions (category 1 or Scope 1)**, i.e. those related to the use of fuels and the processes mentioned above, and **indirect emissions** for imported energy (**category 2 or Scope 2**). In order to reflect the extent of the company's emissions related to these two categories, the monitoring results are presented here according to the ISO 14064-1:2018 standard, which allows for the measurement of greenhouse gas (GHG) emissions in terms of carbon dioxide equivalent (tCO₂e) generated by the organisation's activities.

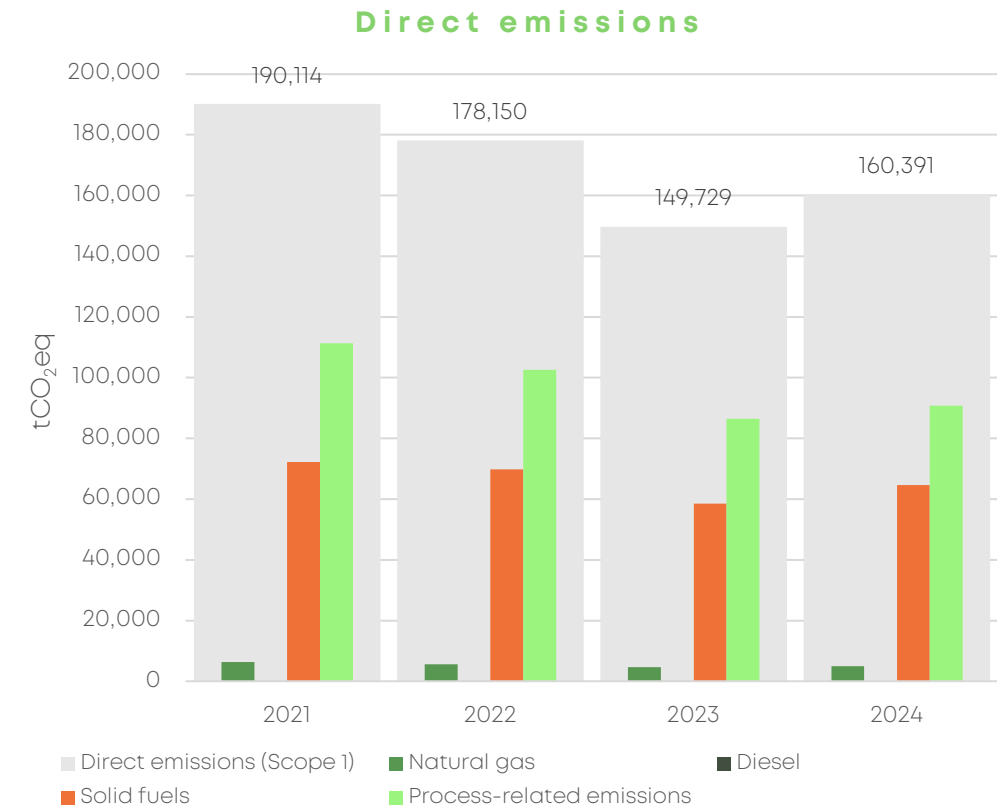
The following graph shows the emissions of the four-year period 2021-2024 and it is possible to see the extent of category 1 and 2 emissions, as well as the specific emissions (black line in the graph), i.e. the emissions related to the tons of finished product.

Total GHG emissions for Categories 1 and 2 under the location-based scenario amounted to **164,476.28 tCO₂e** in 2024, marking an increase of approximately 7% compared to 2023 (153,799.70 tCO₂e). This rise is directly linked to production volumes at Dolomite Franchi. Consequently, the data are consistent with previously observed production trends, which indicate an approximate 5% increase between 2023 and 2024 (see paragraph "Resource use, circular economy and waste").

³§ Risk: ETS financial impact



The graph below shows the breakdown of Category 1 emissions over the four-year period under review.

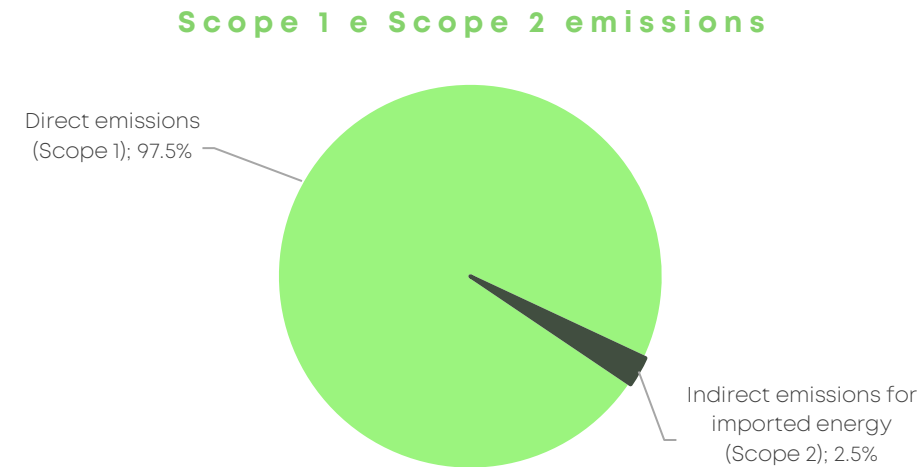


Direct emissions (Category 1), generated within the plant, represent the most significant share of the company’s overall environmental impact. These emissions result from the use of solid fuels, process-related emissions from the decarbonation of dolomite, and the consumption of natural gas and diesel.

Process-related emissions account for the largest portion, representing 56.6% of total direct emissions, followed by emissions from solid fuel use (approximately 40%). The remaining 3% comes from the use of natural gas and diesel, particularly for company vehicles. The distribution of GHG emission sources in 2024 remains largely consistent with previous years, with a slight increase in emissions from solid fuels.



Category 2, on the other hand, represents indirect emissions from imported energy: this category includes solely emissions associated with **electricity drawn from the national grid** (*location-based scenario*): for Dolomite Franchi these emissions account for about 2.5% of the total emissions considered so far.



ENVIRONMENTAL MANAGEMENT SYSTEM AND POLLUTION PREVENTION

Dolomite Franchi’s operations require a comprehensive approach to environmental pollution prevention, which goes beyond the mere control of GHG emissions⁴. The company has indeed an extensive monitoring system, designed to prevent pollution in the air, water and soil. In accordance with the provisions of the Integrated Environmental Authorisation (AIA), Dolomite Franchi monitors all its emission and discharge points.

In addition, for years the company has also been committed to maintaining the **ISO 14001** certification (Environmental Management System). According to the company, ISO certifications are considered an effective tool to ensure that its internal management system aligns with current regulations, helping to prevent critical issues and enabling prompt action in addressing any non-conformities.

Dolomite Franchi has installed different types of plants to treat emissions to air, soil and water, specifically, given the proximity to Lake Iseo and the town of Marone.

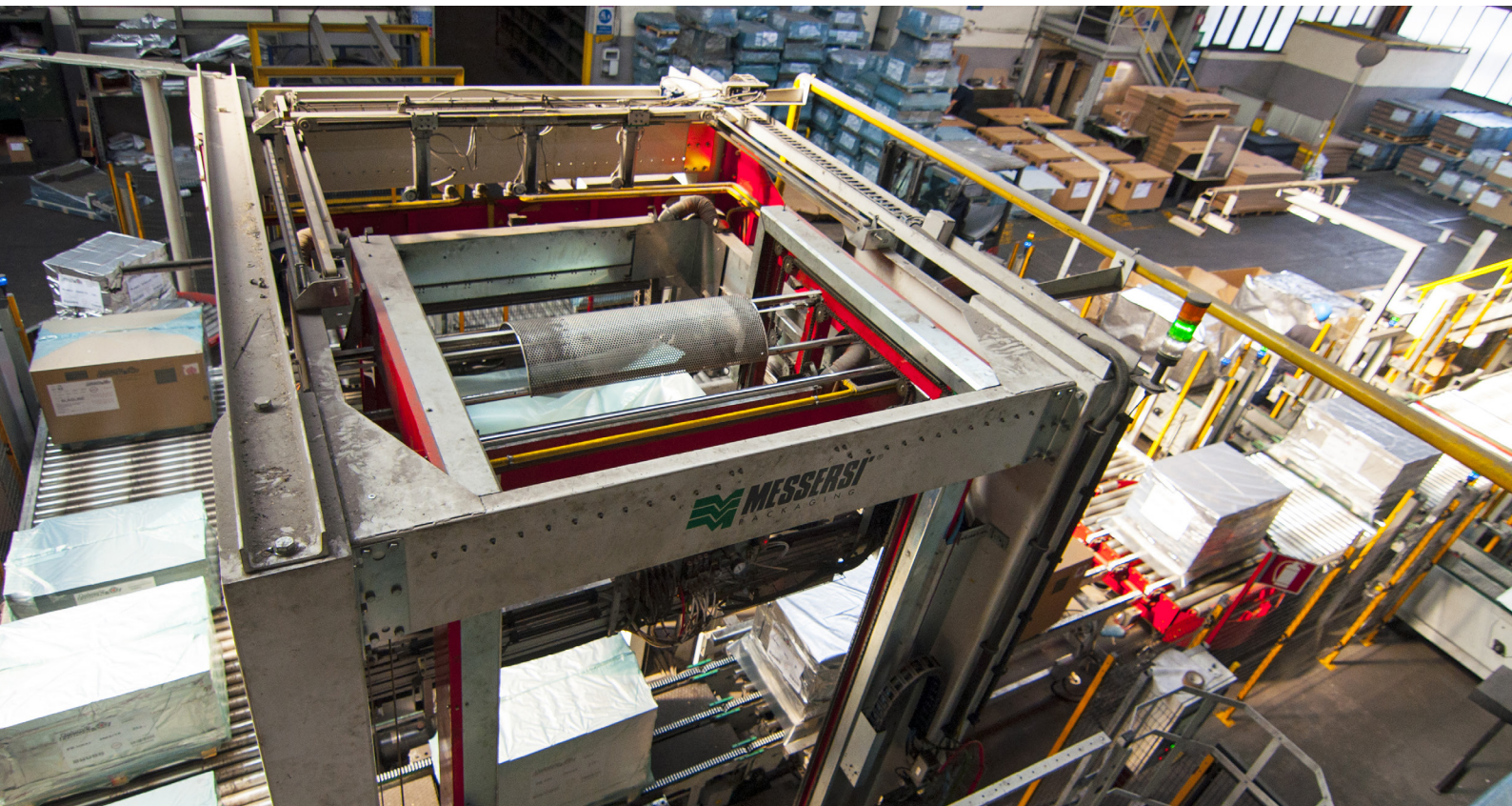
- Bag filters for dust removal;
- Specialized devices for the elimination of gaseous pollutants (such as regenerative thermal oxidizers, afterburners, activated carbon filters, etc.);
- Dedicated areas for the transfer and storage of handled liquid and solid products;
- Monitoring of water discharged into surface water bodies and into the sewer system, along with systems for managing wastewater discharges.

⁴ § Potential negative impact: pollutant emissions

Since 2022, a Continuous Emissions Monitoring System (CEMS) has been in operation at the main emission point of the sintering kilns, ensuring constant monitoring of total dust and nitrogen oxide (NO_x) levels.

Dolomite Franchi's investments are also aimed at reducing the financial risk associated with any pollution episodes⁵ and to reduce critical issues related to the well-being of the people who live around the company. For these reasons, the company continuously seeks alternative products to reduce odorous and environmental impacts and installs adequate soundproofing systems to minimize external noise pollution.

⁵§ Risk: complaints/fines



RESOURCE USE, CIRCULAR ECONOMY AND WASTE

As a company operating in the extraction and manufacturing sector, Dolomite Franchi deems essential reporting on resource use and raw material consumption. As previously mentioned, the company primarily uses dolomite, a stone extracted from the quarry located in the Calaruso area, in the municipality of Zone (Province of Brescia).

Since Dolomite Franchi relies on non-renewable raw materials⁶, like all mineral resources, the company is attentive to the issue and takes into consideration any projects aimed at **optimising plants and production processes**, in order to maximise resource efficiency. At the same time, research efforts are also directed toward reducing the use of hazardous substances in operations, as well as promoting the selection and use of recovered or reused materials.

Dolomite Franchi is able to internally reuse production waste, provided that its quality allows for it. The reuse rate has remained consistent over the years considered. In 2024, production **waste accounted for 4% of total output**.

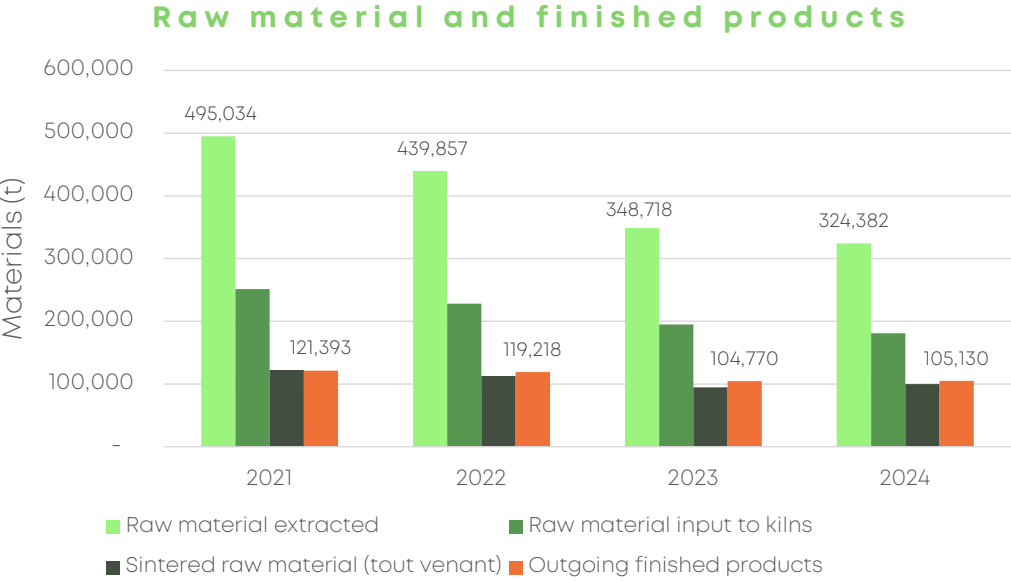
To fully understand the company's production process and the value generation of the final product, it is useful to outline the different phases that make up the production cycle, which are developed in the following order:

- **Raw material extraction:** The material is sourced from the dolomite quarry. In 2024, a total of 324,382 tonnes of raw material were extracted, marking a 7% decrease compared to 2023 (348,718 tonnes). The company also identifies a risk associated

⁶§ Actual negative impact: use of non-renewable raw materials

with raw material procurement, as the permitting processes for quarrying are time-consuming, resource-intensive, and subject to bureaucratic procedures as well as potential local geopolitical developments⁷.

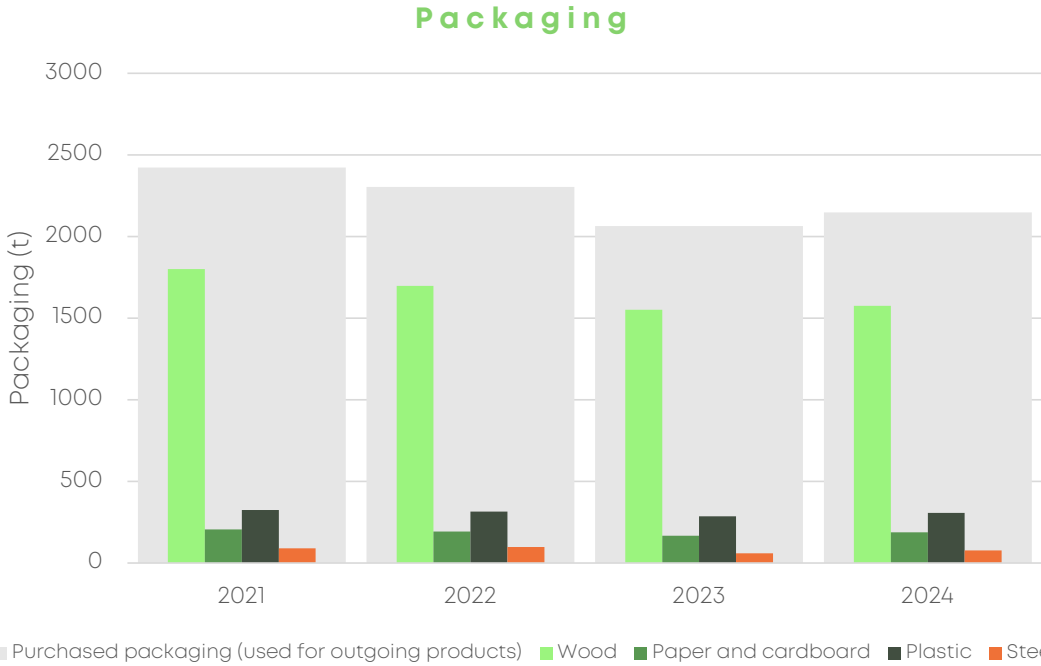
- **Raw material input to kilns:** The raw material fed into the kilns (after removing the portions unsuitable for the production process, which are instead used for other purposes) accounts for just over 55% of the total extracted material (195,061 tonnes in 2023 and 181,056 tonnes in 2024).
- **Sintering process:** Dolomite, mixed with solid fuel, is fed into six vertical kilns and subjected to high-temperature treatment (1,800–1,900 °C). This process results in the production of **sintered dolomite**, which is then sorted according to quality. In 2024, the total quantity of sintered dolomite produced was 99,950 tonnes.
- **Finished products:** The finished products include masses, bricks, and a portion of high-quality sintered material intended for internal sales within the group. In 2024, the total amount of finished products was 105,130 tonnes. The following graph illustrates the quantities of material extracted and produced over the four-year period from 2021 to 2024.



⁷§ Risk: excavation permits renewals

Additionally, about 10,000 tons of production support materials were used during 2024.

Finally, the packaging used for shipping is mainly made of **wood**, followed by **plastic, paper, cardboard and steel**. In this case too, the use of packaging followed the trend of the indicators monitored previously, recording a slight increase.



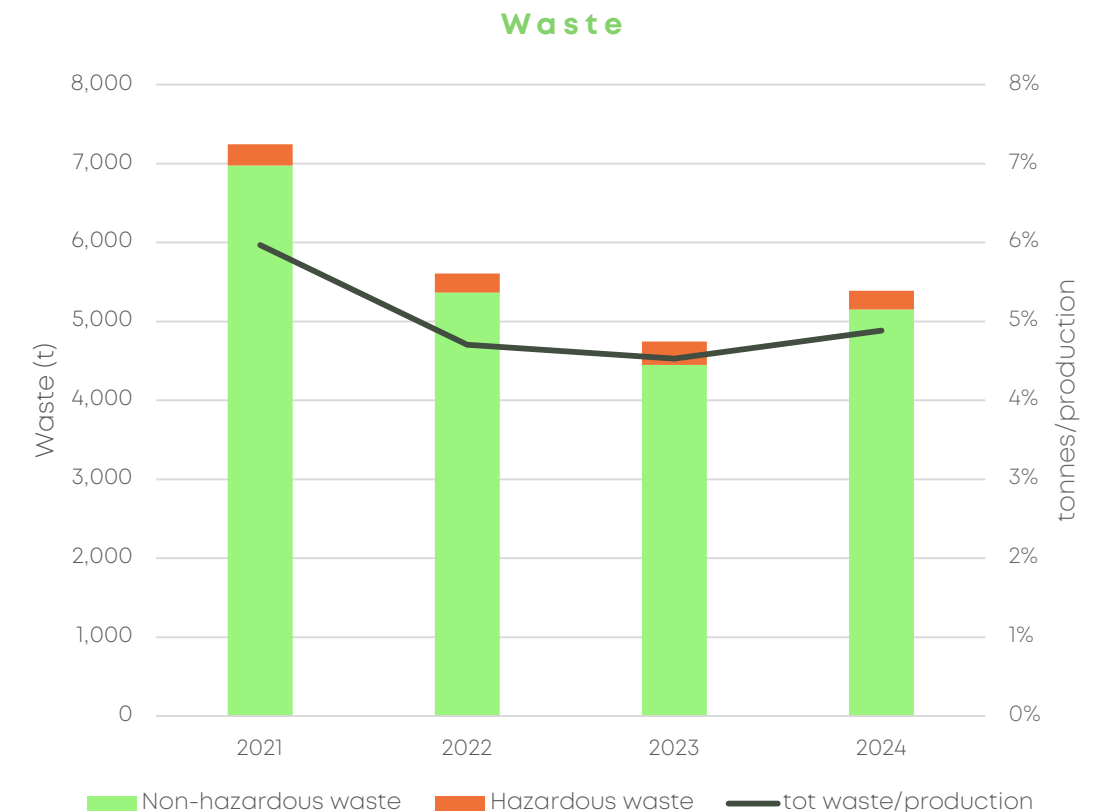
WASTE MANAGEMENT AND TREATMENT

A key aspect for Dolomite Franchi is the management and treatment of waste deriving from its activities⁸. The company continuously monitors various parameters to ensure that data related to waste management remains up to date. Every year, it implements specific measures to optimize the management of waste and production by-products. The first step following the generation of production waste is to **assess the possibility of its reuse or recovery**. If these options are not technically viable, the waste is then sent to authorized facilities for recovery and/or disposal.

As highlighted by the green line in the graph below, which shows the ratio between waste production and outgoing products, there was an increase in this index in 2024. Specifically, 49 kg of waste were produced for every tonne of finished product, compared to 45 kg per tonne in 2023. However, this ratio shows some variability over time, as it depends on the production process and the quality of the waste generated, which is then assessed for potential recovery.

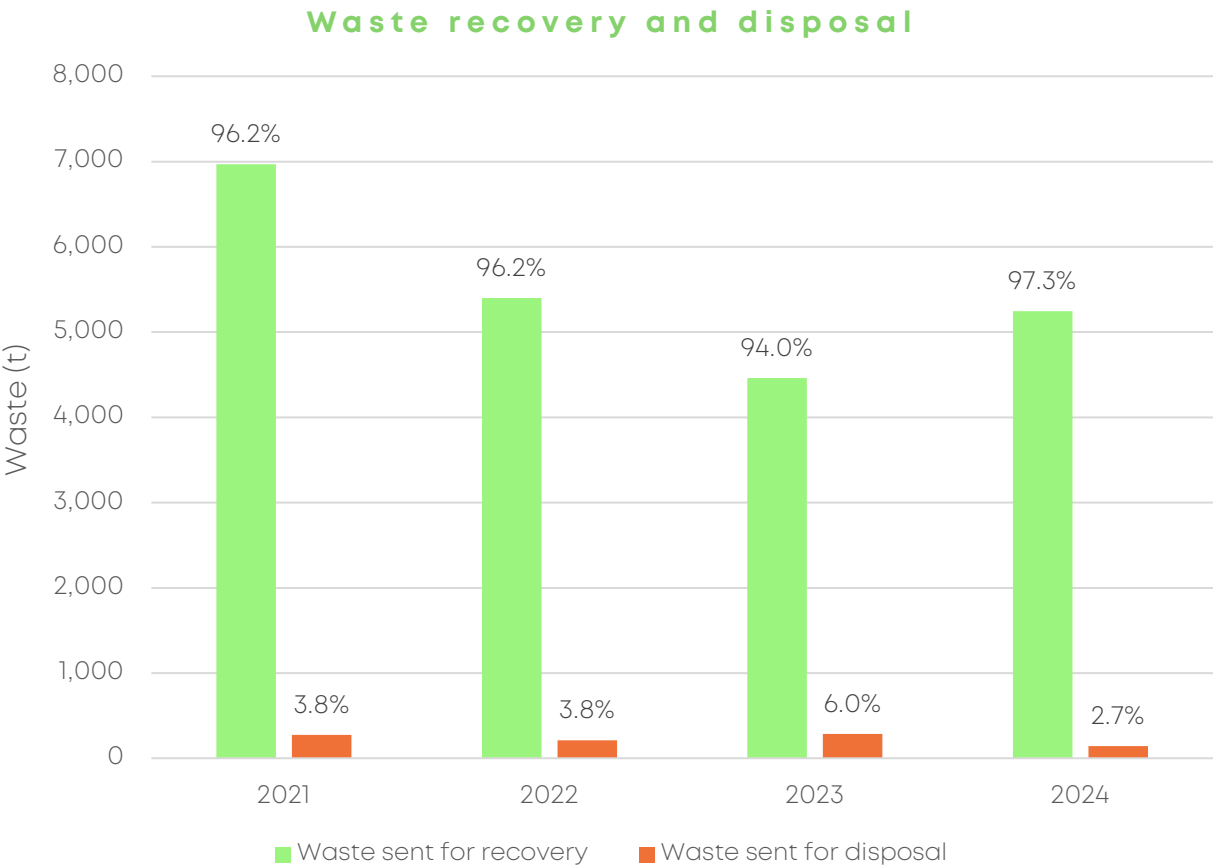
In practice, the company is able to reprocess non-compliant bricks and discarded batches internally, thereby restoring their value. Thanks to this strategy, in 2024, the company was able to avoid producing an additional 2,463 tonnes of waste.

⁸ § Actual negative impact: waste generation



The quantity of **hazardous waste** usually represents between **4% and 6%** of the total waste produced and delivered in compliance with current regulations. In 2024, 238 tonnes of hazardous waste were produced: 4.4% of the total waste production.

As can be seen from the graph below, most of Dolomite Franchi's waste is sent for **recovery**. This trend is continuous over time, since, in the four years considered, more than 94% of the waste produced has always been sent for recovery. In 2024, **97% of waste was destined for recovery**. Only a small part is therefore directly disposed of.



SOCIAL

For a company that truly integrates **sustainability into its strategy**, the concept must extend beyond environmental responsibility to include a strong focus on human capital, understood as both the workforce and the broader community in which it operates. Dolomite Franchi embraces this vision, committing to work-life balance for its employees and actively contributing to the well-being of the surrounding community.

The company is dedicated to valuing and engaging every team member, fostering an inclusive and supportive work environment, and promoting employee well-being through targeted initiatives.

With its long-standing history and deep roots in the areas of **Marone** and **Zone**, Dolomite Franchi maintains a close and meaningful relationship with the local community. It contributes to local development and social cohesion by supporting valuable projects and initiatives through financial and practical assistance.

Care for employees and the creation of value for the community are therefore two essential pillars of Dolomite Franchi's corporate philosophy.

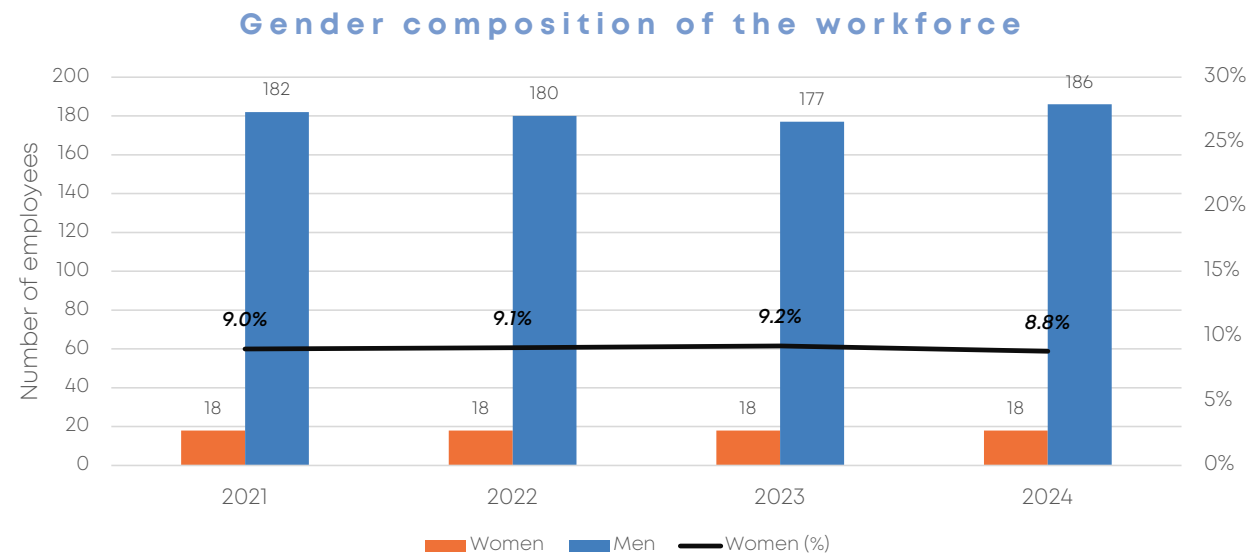


PEOPLE MANAGEMENT, WELFARE AND SKILLS DEVELOPMENT

PEOPLE MANAGEMENT

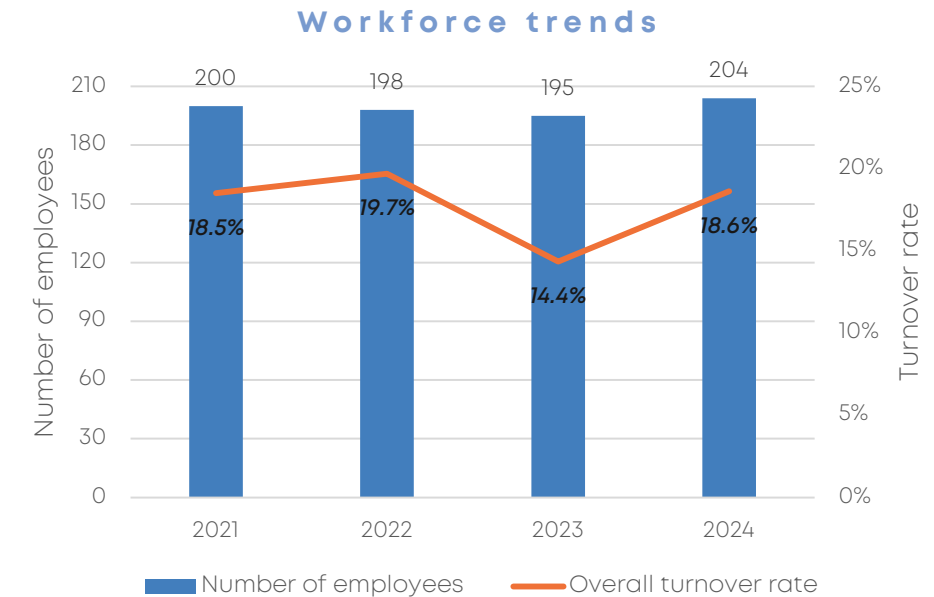
Dolomite Franchi places at the centre of its growth strategy the importance of enhancing its human capital and fostering development opportunities, both personal and professional, for all employees.

As of 31 December 2024, Dolomite Franchi had a total of **204** employees. The graph shows that, in the four-year period analysed, the current reporting year recorded the highest number of employees, with **9 more people** compared to 2023.



Over the last four years, the composition of the workforce by **gender** has remained steady. The female presence within the company has been consistent over time (around 9% of the total workforce) and is primarily concentrated in administrative roles. In contrast, the operational activities are carried out by men, reflecting the typical characteristics of the company's production sector.

The employee turnover rate increased from 14.4% in 2023 to 18.6% in 2024. This rate is calculated as the ratio of total new hires and exits during the reporting period to the total number of employees at the end of the year.



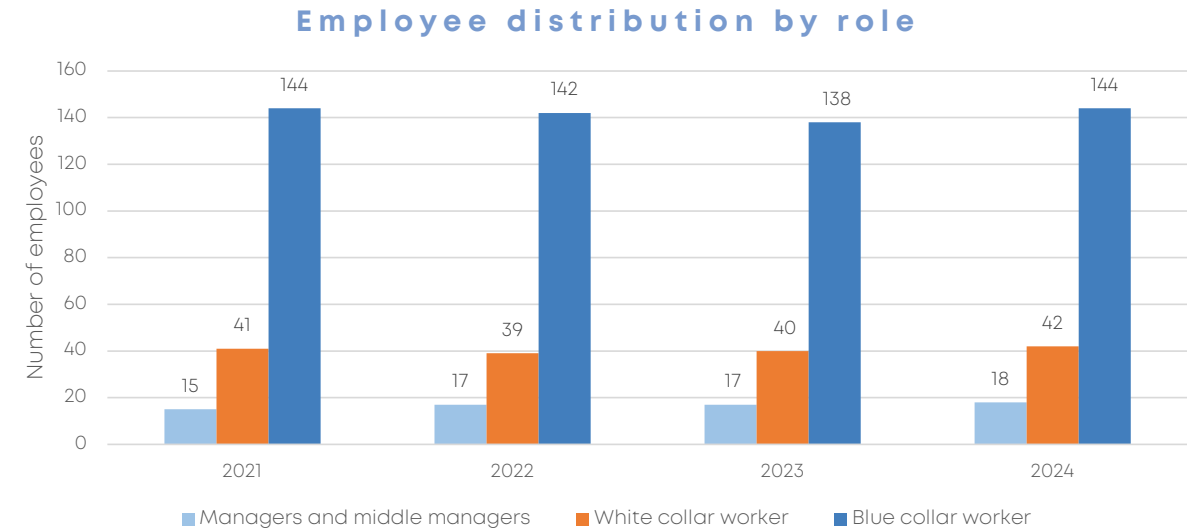
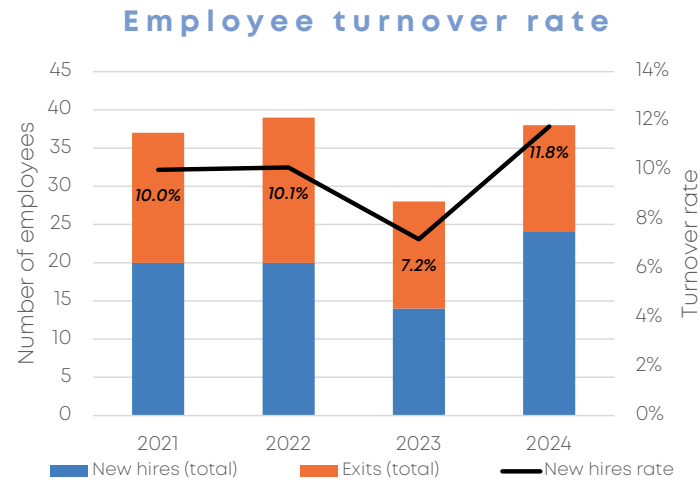
The turnover rate is clearly influenced by both hires and departures. The increase in turnover observed in 2024 is primarily due to a more pronounced expansion of the internal workforce compared to 2023, as evidenced by the entry turnover rate¹, alongside 8 retirements. Specifically, 24 new hires were recorded in 2024 (+10 compared to 2023), indicating

an increase even when compared to the previous three-year period. Nevertheless, the overall turnover rate remains below the national benchmark for the industrial sector established by Confindustria, which stands at 25.7%². Conversely, the exit turnover rate remained largely stable (7.2% in 2023 and 6.9% in 2024).

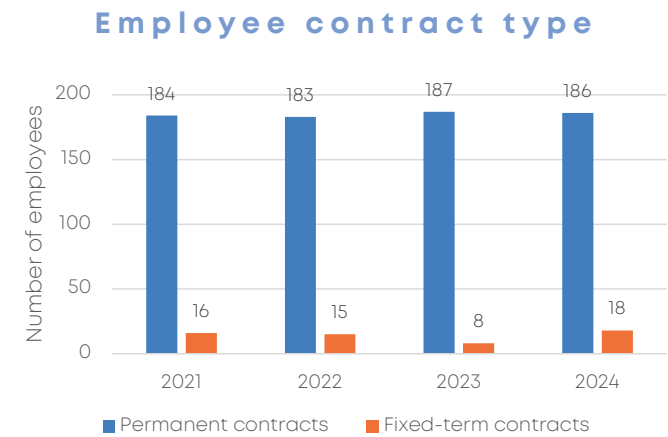
¹The new hire rate is calculated as: total entries / employees as of December 31st.

²Source: <https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/indagine-lavoro-2024>

In 2024, employee **turnover** among individuals under the age of 30 increased significantly, reaching 49% (an increase of 29 percentage points compared to the previous year). This upward trend is primarily attributable to a marked rise in new hires within this age group, which increased from 4 in 2023 to **13** in 2024. During the same period, there were 6 employee departures, comprising 4 voluntary resignations and 2 resulting from the expiration of fixed-term contracts.

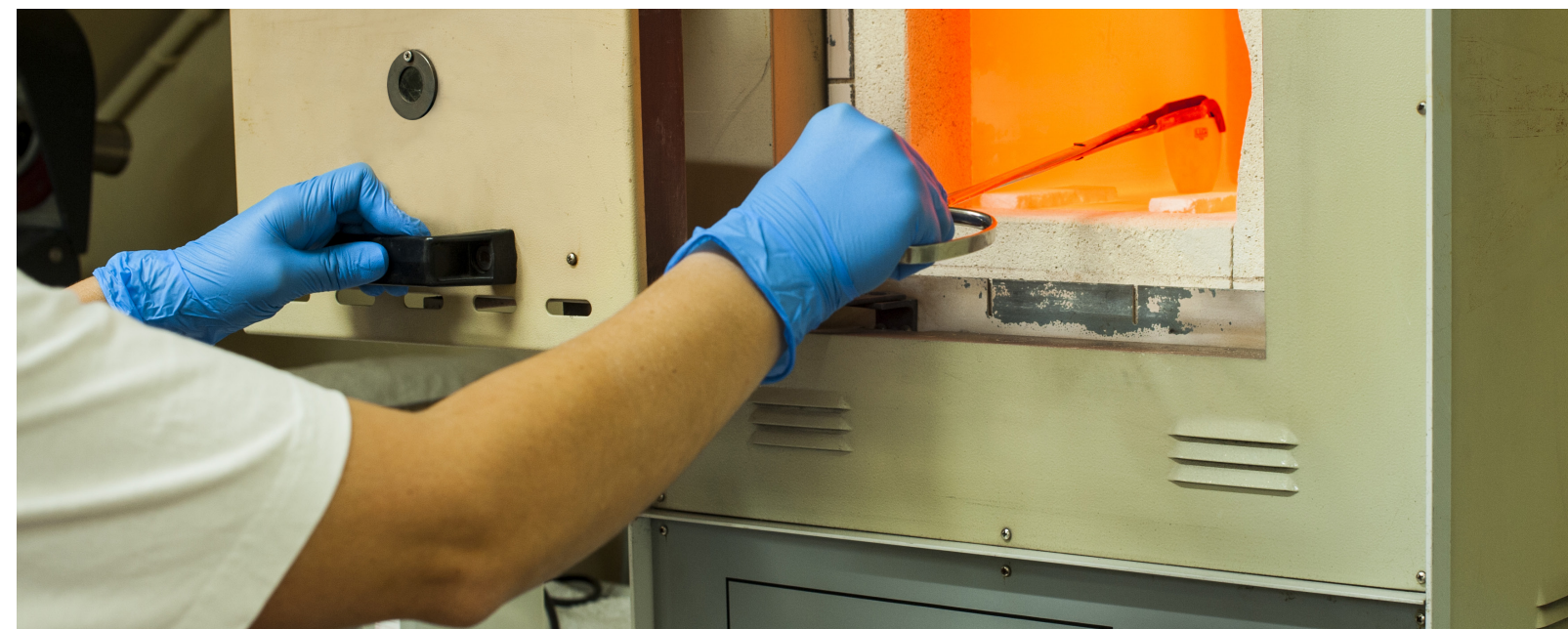


As far as the breakdown of personnel by role is concerned, the figures are substantially in line with previous years: specifically, with respect to the total workforce of 204 employees in 2024, blue-collar workers made up approximately 71% of the employees (144 people), white-collar workers 20% (42 people) and middle managers and executives the remaining 9% (18 people).

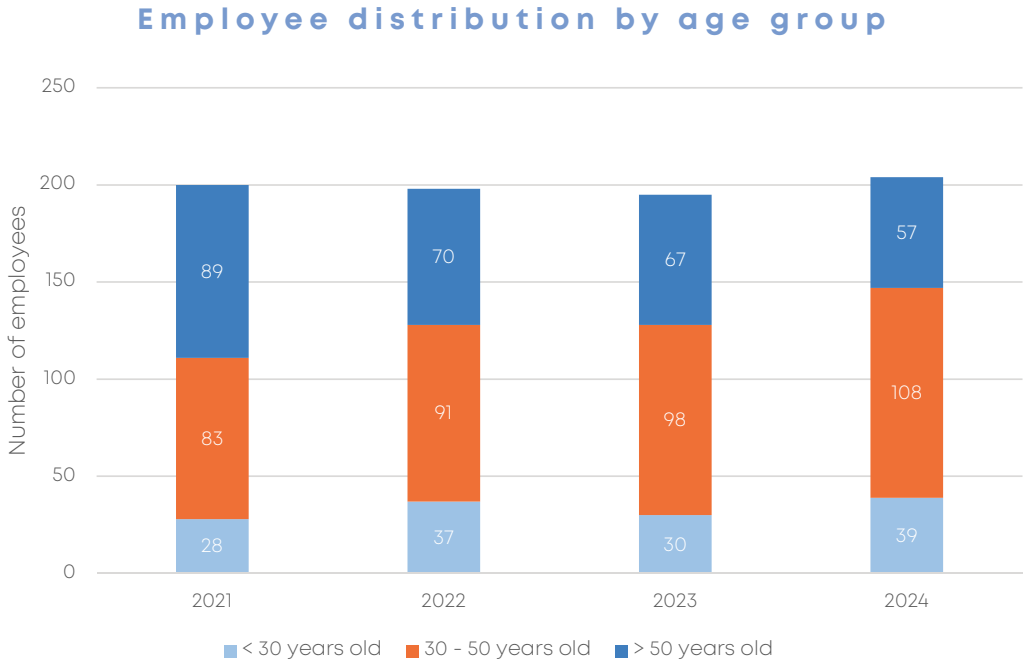


As far as the employees by **type of contract** is concerned, the chart beside illustrates the evolution of the division between fixed-term and permanent contracts. In 2024, **91%** of the workforce was employed under **permanent contracts**, reaffirming Dolomite Franchi's commitment to ensuring job stability³, a core value for the company. Additionally, a distinguishing feature of the company is the strong presence of employees from the areas surrounding Marone, further strengthening its connection to the local community.

³§ Actual positive impact: steady employment.



Among the risks associated with workforce management, the ability to **attract new talent** is considered crucial⁴. According to the Confindustria Labour Survey 2024, around 70% of the companies surveyed reported experiencing this challenge⁵. To cope with this, in 2024, Dolomite Franchi expanded its recruitment scope and established partnerships with recruitment agencies to identify and hire the necessary professional profiles.



In terms of **age** distribution, over half of the workforce in 2024 (53%) fell within the 30 to 50 age range. The proportion of employees under 30 rose by approximately 4 percentage points compared to the previous year, reaching 19%.

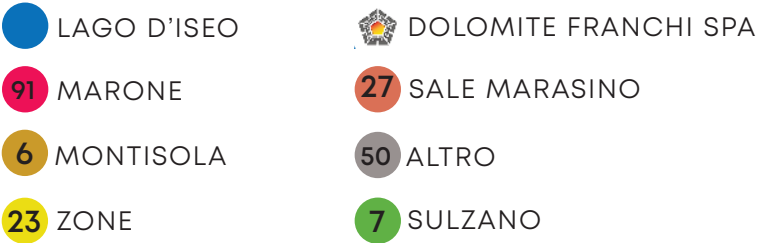
⁴ § Risk: Difficulties in recruiting
⁵ Source: <https://www.confindustria.it/home/centro-studi/temi-di-ricerca/valutazione-delle-politiche-pubbliche/dettaglio/indagine-lavoro-2024>

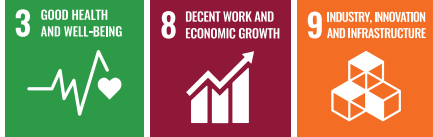
Meanwhile, employees over 50 accounted for 28% of the total (down 7 percentage points from 2023) partly due to eight retirements. After a gradual decline in recent years (from an average age of 44 in 2021 to 43 in both 2022 and 2023), the average employee age stabilised at 42 in 2024.



In 2024, **75%** of employees (namely 154 people out of 204) **lived in Marone or in the neighbouring municipalities** (Monte Isola, Sale Marasino, Sulzano, Zone), an increase of 4% compared to 2023. This significant concentration of employees in the area surrounding the company headquarters testifies to the fundamental role played by Dolomite Franchi in the employment panorama of the **Alto Sebino Bresciano**.

EMPLOYEES BY MUNICIPALITY OF RESIDENCE





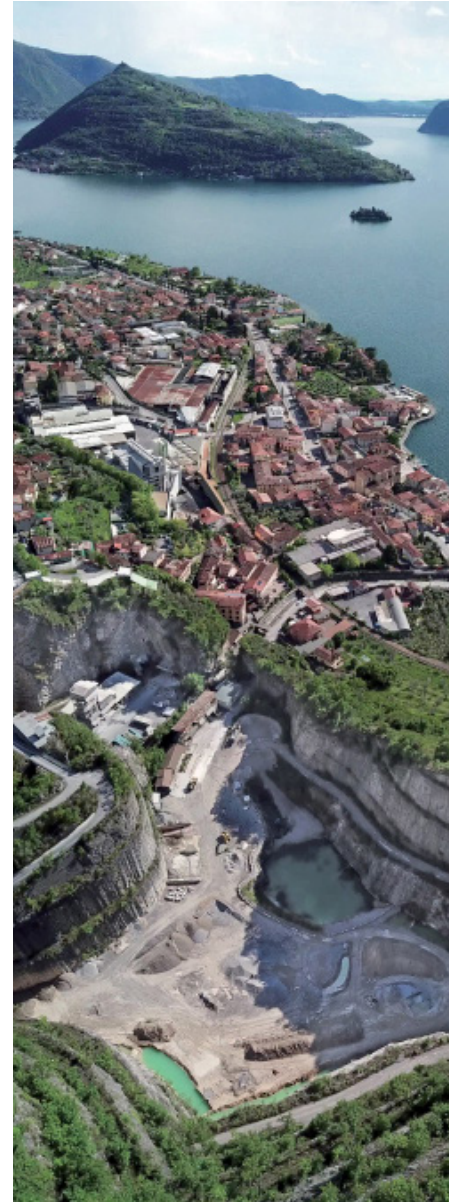
EMPLOYEES WELL-BEING

Dolomite Franchi places a strong emphasis on employee well-being⁶, striving to foster a positive work environment that meets the needs of both the employees and their families.

Since the 1970s, the company has established a **Social Fund** that allows employees and their families to be reimbursed for part of their children's health and education expenses. As a demonstration of its ongoing commitment, the company contributed over €115,000 to the fund in 2024, compared to approximately €42,000 contributed by employees during the same period.

Another important aspect for the company is the promotion of staff satisfaction and productivity, which is incentivised through the allocation of **annual production bonuses**. These bonuses are calculated based on criteria established through company-level negotiations with the Workplace Union Representatives.

Dolomite Franchi also provides all employees with a supplementary accident insurance policy, fully funded by the company. This coverage complements the mandatory INAIL insurance and offers additional cover for the risk of death and permanent disability.



Finally, the company also ensures access to healthy and affordable meals in the company **canteen**, offering a nutritionally balanced menu at an affordable price, promoting proper nutrition and well-being throughout the workday.

Among the company's annual events, the traditional **celebration of Saint Barbara** holds particular significance, as she is revered as the patron saint of Dolomite Franchi. Each year, on the 4th of December, the company marks the occasion with a day of festivities. The celebration culminates in a Mass held at the plant, attended by local authorities, during which employees who have reached 25, 35, or 40 years of service are formally recognised. The event usually finishes with a company-sponsored lunch open to all employees.

On 13 December, Saint Lucy's day, Dolomite Franchi organises the initiative "**Le scarpine di Santa Lucia**". In conjunction with the day, the company donates a pair of shoes to the school-age children of its employees.

In addition to these initiatives, Dolomite Franchi is committed to supporting a healthy **work-life balance**. Flexible working hours are offered for roles where operationally feasible, with **part-time** arrangements primarily granted to mothers and employees with specific family or academic commitments. By the end of 2024, 8 employees were working part-time, 6 of whom were women.

⁶§ Actual positive impact: Employee welfare initiatives



TRAINING AND PERSONAL GROWTH

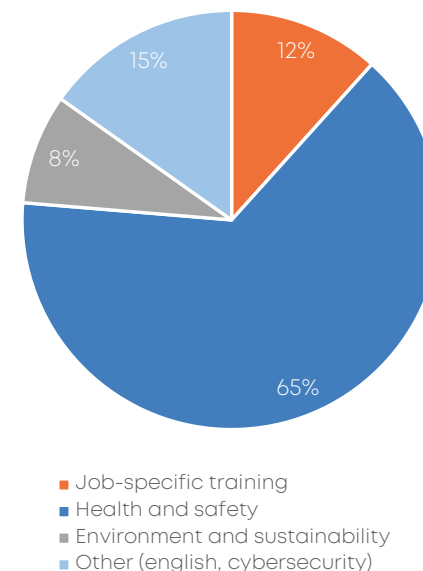
For Dolomite Franchi, a high-quality service stems also from the continuous improvement of employees' professional skills, achieved through adequate and ongoing training. The company, being aware of the importance of this aspect to enhance competitiveness and prevent risks, is committed to offering training opportunities for the entire workforce and going beyond the requirements of current regulations.

In 2024, total training hours amounted to 1,765, reflecting a 54% increase compared to 2023. This results in an average of 9 training hours per employee per year. The majority of training activities were focused on **health and safety**, with approximately 1,140 hours dedicated to this theme. A significant portion of these hours was allocated to the initial training of new employees, with courses primarily delivered by Dolomite Franchi's in-house trainers. Additionally, 206 hours focused on **specialised training** for specific groups of operators, covering topics such as forklift and mechanical shovel operation, working at heights, electrical work qualification, special operations, maintenance management, and logistics organisation.

As far as sustainability issues are concerned, in 2024 the company has planned courses on the UNI EN ISO 14064-1:2019 standard (Organisation Carbon Footprint) and specific training sessions for the members of the energy team, showing once more Dolomite Franchi's commitment to this topic.

In 2024, Dolomite Franchi also organised soft skills courses, offering 268 hours of additional training focused on the implementation of IT and English language skills⁷.

Hours of training



In 2024, the majority of training hours were directed to managers and executives (12.9 hours per person). Training hours for workers and clerical staff was also similar, with 8.9 and 7.9 hours per person, respectively.

Overall, there was an increase in the total training hours across all three categories, due to both the growth in the workforce and the specific courses offered by Dolomite Franchi, tailored to each role and aimed at enhancing both role-specific and general skills.



For any company, and particularly for a long-established business that values corporate knowledge and the quality of its outcomes, Dolomite Franchi recognises the importance of providing additional training in both **hard skills and soft skills**⁸: this could become a crucial internal strategy for addressing the challenges of the current market, where the search for personnel with specific skills is increasingly complex. For this reason, the company has developed a comprehensive training and onboarding plan for new hires.

⁷ § Actual positive impact: additional training

⁸ § Potential positive impact: increasing hard and soft skills training



HEALTH AND SAFETY

Dolomite Franchi actively prioritises the protection of the health and safety of all individuals, both directly and indirectly involved in work activities.

Compliance with existing occupational health and safety regulations contributes to high standards for **accident prevention** among employees. However, no company, especially those operating in the manufacturing sector, can ignore the risk of accidents in its analyses and evaluations⁹.

Dolomite Franchi adopts a series of praxis and procedures to guarantee high **standards** in terms of **safety, health** and **wellbeing at work**. In addition to meeting the necessary prevention requirements and adhering to current legislation and relevant technical regulations, the company ensures comprehensive health monitoring that extends beyond the specific risks associated with each task. It also provides ongoing training and information to keep employees informed and up to date. Furthermore, the company remains committed to continuously upgrading all machinery and installations to incorporate the latest **safety systems**.

The management system certified according to the **UNI EN ISO 45001** standard, which concerns “Occupational health and safety management systems”, is a fundamental tool for monitoring all company activities, mitigating risks, and keeping an eye on potential areas for improvement.

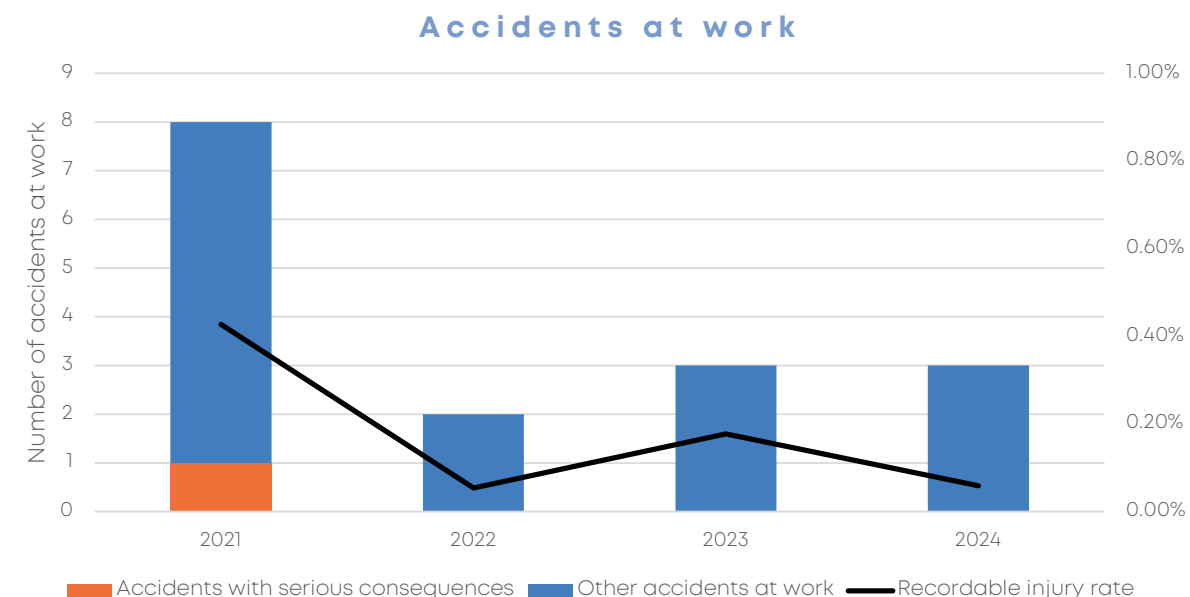
Within Dolomite Franchi's operations, 3 accidents with non-serious consequences¹⁰ were recorded in 2024¹¹, resulting in a total of 24 days of absence.

⁹ § Potential negative impact: risk of accidents at work

¹⁰ § Accidents with less than 40 days of absence

¹¹ § Actual negative impact: accidents at work

Therefore, the recordable accident rate stands at 0.06%, marking a decrease from 0.18% in 2023 and a significant reduction from 0.43% in 2021.



Moreover, both the frequency¹² and severity index¹³ for 2024 are lower than the ones recorded for the previous year.

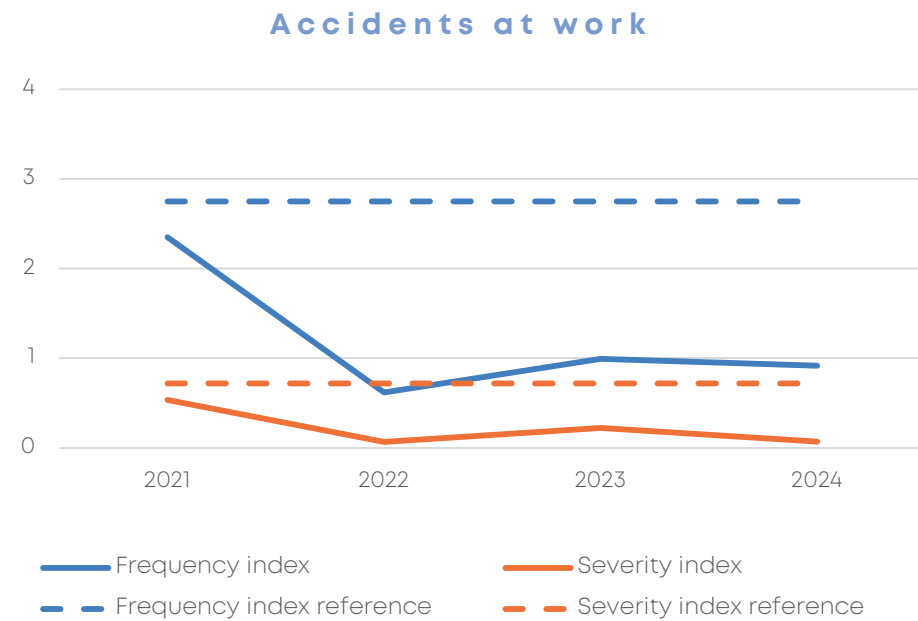
Specifically, the data for both indices analysed are lower than the benchmark collected by Confindustria Ceramica: the **severity index** for incidents at Dolomite Franchi was **0.07** in 2024 and 0.22 in 2023, both lower than the 0.72 recorded by the Confindustria survey in 2023¹⁴. Similarly, the **frequency index** was **0.92** in 2024 and 0.99 in 2023, both lower than the result reported in the study mentioned above (2.75).

¹² Frequency index: number of accidents x 1,000,000 / number of hours worked

¹³ Severity index: number of total accident days x 1,000 / number of hours worked

¹⁴ Confindustria Ceramica: annual labour survey (year 2023)

At Dolomite Franchi, third-party contractors are engaged in a range of activities, including internal logistics, metalwork, and industrial cleaning. Although these individuals are not direct employees, they play an active role within the company’s value chain¹⁵. As such, Dolomite Franchi is committed to extending the same level of care and oversight to them as it does to its own workforce. This includes maintaining a strong focus on injury prevention—not only within the company itself but also for those working in the quarry.



¹⁵ § Potential negative impact: accidents at work for value chain workers (UPSTREAM)



CREATING VALUE WITHIN THE COMMUNITY

Dolomite Franchi has always felt a strong **connection with the area** in which it operates and is actively committed to strengthening this connection. In addition to playing a central role in local employment, the company consistently invests resources to realise projects and initiatives to create value for the community¹⁶, recognised as a major stakeholder.

Management at Dolomite Franchi considers **dialogue and strong relationships** with the local community to be essential. The company actively collaborates with local institutions and associations, embedding social responsibility into its corporate culture.

Among its longstanding initiatives, the company has, for over a decade, organized a scholarship competition in partnership with the Municipality of Marone. This program offers **two scholarships** to university students under the age of 28 who reside in Marone and are enrolled in degree programs in Engineering, Chemistry, Physics, Geology, or Economics and Commerce. The initiative is designed to help young people in the area develop their skills, with the hope that they will, in turn, contribute to the region’s growth.

In 2024, unlike the previous year when no applications were received, the company awarded a total of €1,800 in scholarships to local students.

¹⁶ § Actual positive impact: partnership with local entities and associations

As part of its commitment to fostering dialogue with local schools, Dolomite Franchi has for years collaborated with the Brescia section of the **Federation of “Maestri del Lavoro”**. Together, they organize educational visits to the quarry and production plant for primary and secondary school students from the Marone area. In 2024, the company also welcomed **five trainees**, primarily in administrative roles, further reinforcing its support for youth development and education.

In line with its longstanding commitment, Dolomite Franchi continued to invest in the community by allocating significant resources in 2024 to **donations and sponsorships** in support of local causes and charitable initiatives. These efforts were complemented by the customary distribution of Christmas gifts to employees and external collaborators, highlighting the company's ongoing commitment to both social responsibility and workplace appreciation.



GOVERNANCE



Dolomite Franchi's **corporate governance** is characterised by its stability and constant orientation towards innovation. The company is founded on principles of integrity, respect and collaboration. Its commitment to sustainability is rooted in the corporate culture, where ethical values are translated into concrete actions.

The Company Policy and the Code of Ethics represent the fundamental moral guide, while the **certified management systems** related to **quality** (ISO 9001), **environment** (ISO 14001), **occupational health and safety** (ISO 45001), and **energy** (ISO 50001) constitute the pillars on which daily operations are based.

Furthermore, the Company has adopted an Organisation, **Management, and Control Model** aimed at preventing offences specified by Legislative Decree 231/2001, a regulation governing the criminal liability of entities (legal persons, companies, and associations) in addition to that of individuals. This demonstrates the company's commitment to ensuring transparency and legality in every aspect of its activities.

Dolomite Franchi's sustainability journey, initially driven by an internal ambition, is now integrated with the entire **INTOCAST** Group. Being part of a large multinational group like INTOCAST provides local undertakings like Dolomite Franchi with access to various opportunities. From an ESG perspective, the group's support enables subsidiaries to better monitor, improve, and communicate

their ESG performance, with positive effects at the local level as well.¹

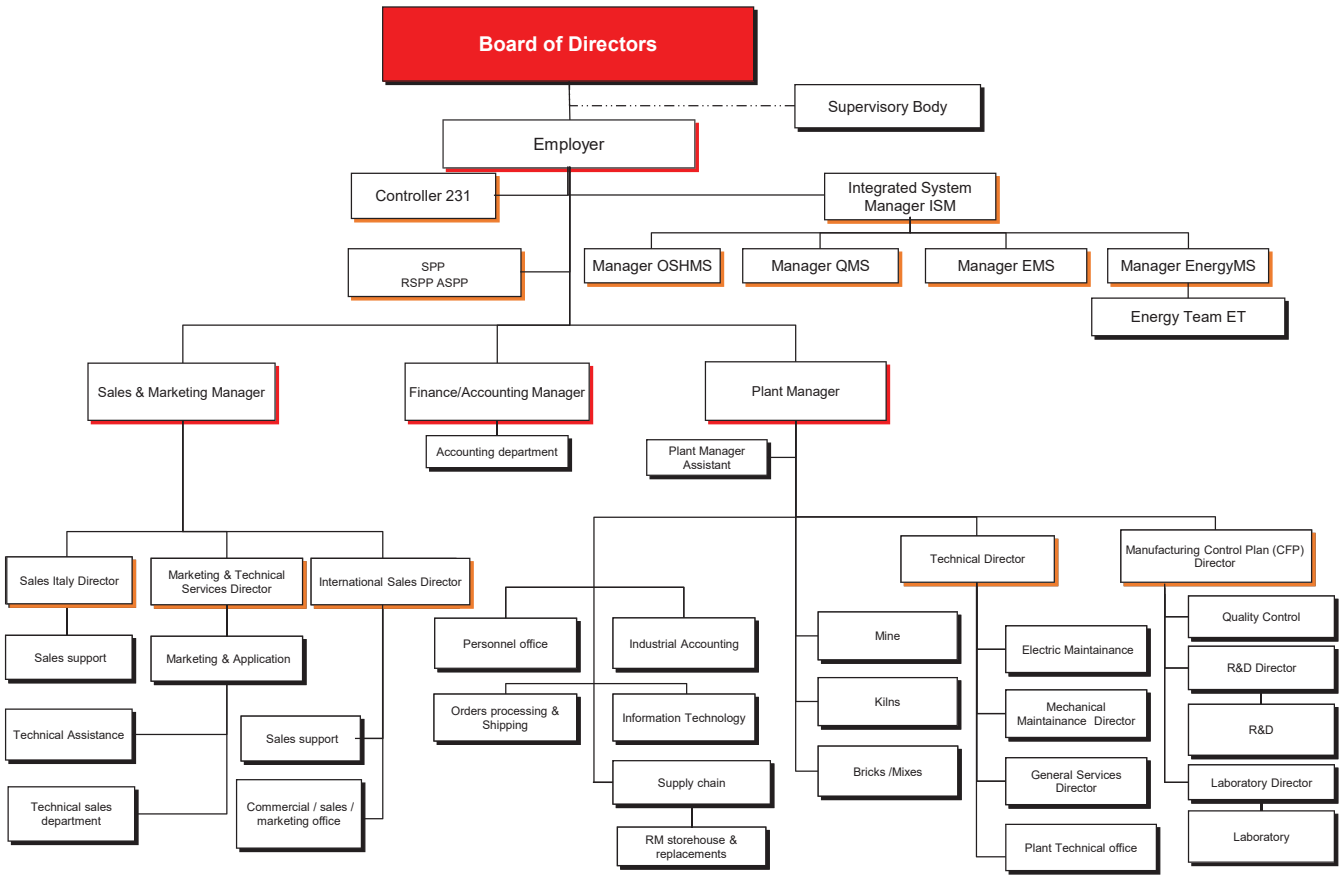
CORPORATE ORGANISATION AND GOVERNANCE GUIDELINES

To ensure ethical and transparent governance, Dolomite Franchi has adopted a solid governance structure supported by specific tools. The company is under the direction and coordination of the INTOCAST AG Group. The main governing bodies include the Shareholders’ Meeting, the Board of Directors (BoD), and the Board of Statutory Auditors.

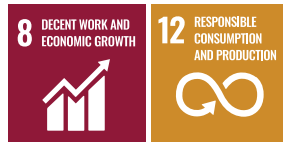
The Shareholders’ Meeting approves the financial statements and appoints the Board of Directors (BoD), the Board of Statutory Auditors, and the Audit Firm. The BoD, which manages ordinary and extraordinary activities aimed at achieving corporate objectives, currently consists of three members: two men and one woman. Since 4 October 2010, with the adoption of the Organisation, Management, and Control Model under Legislative Decree 231/2001, the BoD appoints the Supervisory Body (OdV), whose role will be described later. The Board of Statutory Auditors monitors compliance with the law, adherence to sound management principles, and the adequacy of the organisational and accounting structure. Statutory auditing is entrusted to an Audit Firm. Below is the organisational chart of Dolomite Franchi.



DOLOMITE FRANCHI FUNCTIONAL ORGANISATION CHART



¹§ Opportunity: multinational partnership



INTEGRITY AND TRANSPARENCY IN BUSINESS MANAGEMENT

ORGANISATION, MANAGEMENT AND CONTROL MODEL

Since 2010, Dolomite Franchi has implemented its own Internal **Organisation, Management, and Control Model in line with the provisions of Legislative Decree 231/2001**. Through this model, the company has established a set of internal procedures designed to effectively and systematically manage risks related to corporate governance. This is achieved through the formalisation of general, specific, and operational rules aimed at preventing violations of fiscal, administrative, environmental, and commercial nature².

The adoption of the Model is optional, but Dolomite Franchi has chosen to implement it and update it periodically in response to regulatory developments and business needs, with the aim of **promoting principles of sound management, integrity, legality, and transparency**.

²§ Risk: Incidents of corruption



Responsibility for overseeing compliance with, and the proper implementation of, the Model lies with the Supervisory Body (OdV), whose mandate lasts three years. It is composed of two external professionals (a Chairperson and a member), selected for their independence, expertise, and ability to ensure operational continuity.

The Supervisory Body (OdV) conducts monitoring and auditing activities, provides recommendations, and collects feedback through a structured **whistleblowing** procedure accessible to all company personnel and external stakeholders, as mandated by law. Furthermore, the OdV is obliged to promptly inform the Board of Directors and the Board of Statutory Auditors of any violations, infractions, or non-compliant behaviours, suggesting any necessary revisions, modifications, or additions to control procedures to prevent misconduct.



THE CODE OF ETHICS

Dolomite Franchi's **Code of Ethics** was introduced alongside the adoption of the 231 Model (MOG231) and, for **over 15 years**, has defined the values and principles that the company is committed to upholding and promoting.

The **core values** of the code guide corporate behaviour in various areas, including human resource management (from recruitment to corporate life), information management, and business activities. In particular, the code highlights:



Protection of individuals



Safeguarding health and the environment



Fairness, respect for regulations, and ethical behaviour



Loyalty and confidentiality of information management



Respect for the interests of all stakeholders



Professionalism and fair competition



Fairness and transparency in relationships with the Public Administration



The fight against corruption in relations with Public Authorities and other companies

The Code of Ethics gets periodically updated by the Board of Directors (BoD) and serves as the reference **point for the expected behaviours that must be followed by everyone** working on behalf of the company, as well as by anyone engaging in relationships with it.

Download the Code of Ethics



MANAGEMENT SYSTEM

Dolomite Franchi adopts an **integrated approach** in managing its business, focusing on key areas such as occupational health and safety, environmental management, and the quality of products and services. The company has obtained and continuously maintains **ISO 45001 (Occupational Health and Safety), ISO 14001 (Environment), and ISO 9001 (Quality) certifications**, which attest to its adherence to international standards in these areas.

In 2024, as a further reinforcement of its management system, Dolomite Franchi obtained **ISO 50001 certification for its Energy Management System**, underlining its commitment to efficient energy management and consumption reduction.

The company has also implemented a structured process for assessing and managing business risks, which includes the analysis of both potential and actual impacts resulting from its operations. Special attention is given to the effects on the local communities involved in the company's activities.

In 2022, Dolomite Franchi obtained the **EN 459-1:2010 certification**, confirming that the dolomitic lime produced at its facility complies with the regulatory standards for the product's chemical and physical properties.



These achievements reflect the company's commitment to ensuring a **management approach focused on the continuous improvement of its ESG performance**.





INNOVATION, RESEARCH & DEVELOPMENT



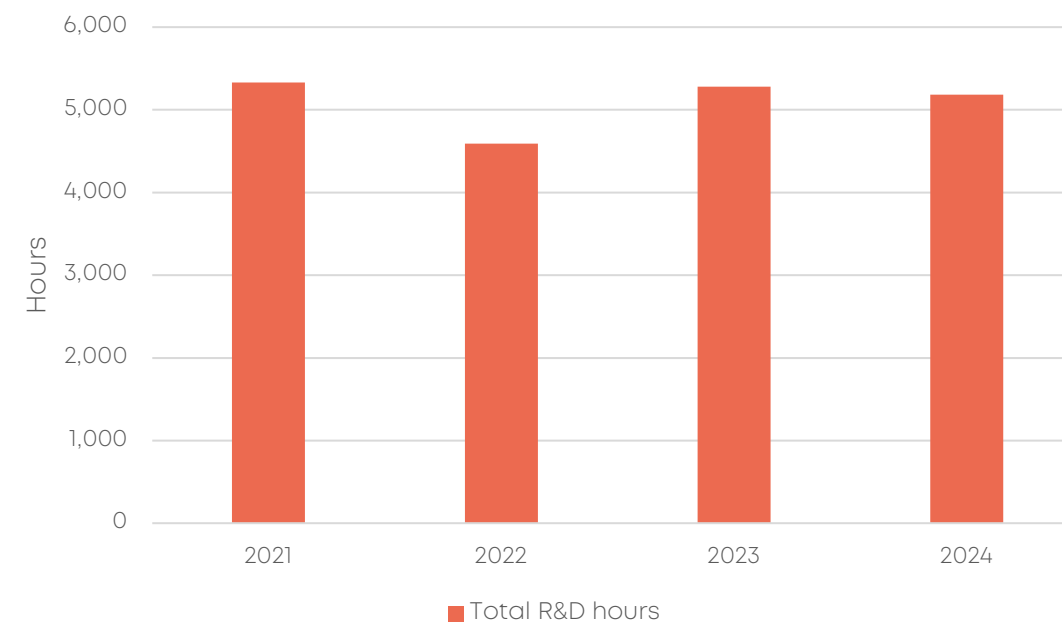
The Research & Development and Technical Support divisions play a key role in **driving innovation and delivering high-quality customer support**, making a significant contribution to the responsible growth of Dolomite Franchi.

Since its early years, **the company has consistently invested in innovation** and the enhancement of its products, with the dual aim of reducing the environmental impact of production and fully meeting customer needs.

Given the distinctive nature of its production processes and dolomite-based products, Dolomite Franchi has, over time, assembled a team of **highly qualified professionals** dedicated exclusively to innovation. In 2024, the company devoted a total of 5,184 hours to research and development activities, a slight decrease compared to the 5,280 hours recorded in 2023, but in line with the four-year average.

These figures reaffirm Dolomite Franchi's ongoing commitment to research, development, and technological innovation, reflecting a shared and continuous drive to **improve both its processes and products**.

Research and development hours



FOCUS: DOLOMITE FRANCHI'S QUALITY LABORATORY

Dolomite Franchi's in-house laboratory is a highly specialised facility dedicated to improving process and product quality. The laboratory **supervises and optimises every phase of production**, from raw material selection to the finished product. It is responsible for both quality control and research and development, playing a crucial role in maintaining the **highest standards** and ensuring that every product meets the specifications required by customers.

The technicians implement strict control plans, optimised to precisely monitor every aspect of production. Efforts focus on targeted sampling and accurate analyses, **favouring low-impact testing methods with minimal solvent consumption**.

Among the state-of-the-art tools used, X-ray spectroscopy allows for the evaluation of the refractoriness of intermediate and finished products, while thermogravimetry is essential for analysing the characteristics of raw materials, such as coal, at the beginning of the production process. Additionally, laser granulometry is employed for precise dimensional characterisation of granular solids.

The laboratory’s approach, being intertwined with all production phases, allows Dolomite Franchi to intervene promptly when necessary, optimising product quality and meeting the demands of even the most demanding customers. Thanks to the expertise of its technicians and the applied technologies, **the company continues to focus on innovation** to improve and refine its products and processes.

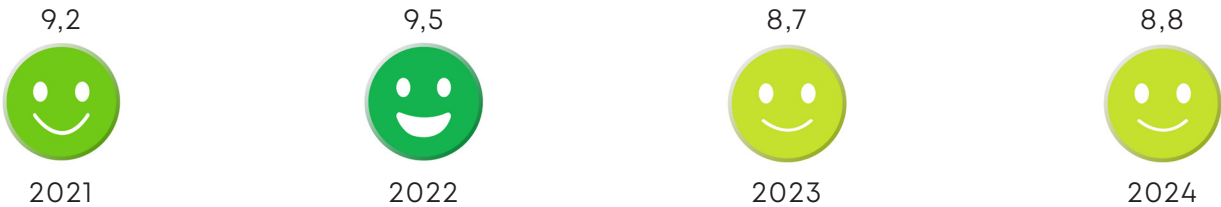


CUSTOMER SATISFACTION

Dolomite Franchi has always placed strong emphasis on the continuous improvement of the quality and efficiency of its products and services, as well as on meeting delivery deadlines. In line with this objective, the company conducted its annual **Customer Satisfaction Index (CSI)** survey in 2024, as in previous years. The CSI is an internationally recognised tool that measures overall customer satisfaction by assigning scores from 1 to 10, evaluating customer perceptions against their expectations.

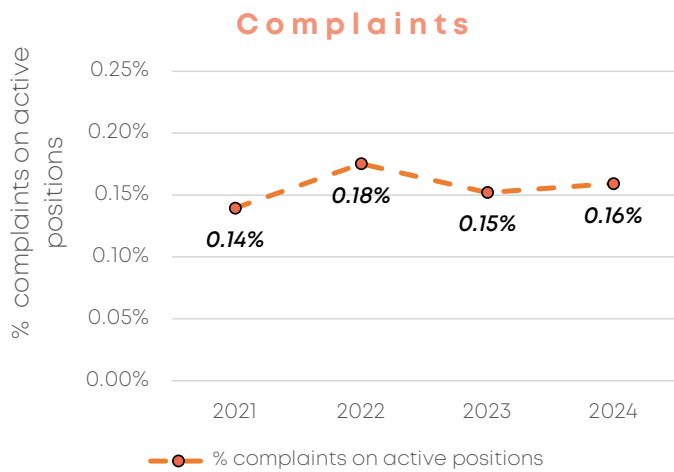
In 2024, Dolomite Franchi achieved a CSI score of **8.8**, a slight improvement with respect to the previous year’s result. This outcome highlights the company’s ongoing commitment to delivering excellent customer satisfaction and consistently exceeding market expectations.

CUSTOMER SATISFACTION INDEX



In 2024, Dolomite Franchi recorded 22 complaints, an overall lower number compared to previous years, although showing a slight increase compared to 2023 alone (see table below). The complaint index, which represents the ratio between the total number of complaints and active positions, stands at 0.16% for 2024, in line with the results of previous years.

INDEX OF COMPLAINTS				
	2021	2022	2023	2024
Total complaints	27	27	19	22
Tot. Number of active positions	19,371	15,406	12,498	13,814



In 2024, **Dolomite Franchi resolved 100% of the complaints received**, within its areas of competence and responsibility.



PRIVACY AND DATA PROTECTION

Dolomite Franchi has adopted a **procedure to ensure the privacy and protection of stakeholder data**. Between 2021 and 2024, **there have been no incidents** of data losses or cybersecurity issues. However, the company acknowledges that the risk of a data breach is real³, especially in light of the increasing phishing attempts targeting businesses, Dolomite Franchi has strengthened employee **training in cybersecurity** over the years and implemented a strict access control policy for sensitive data. This has enhanced the protection of both the security and confidentiality of stakeholder information, both internal and external.

³ § Risk: data breach





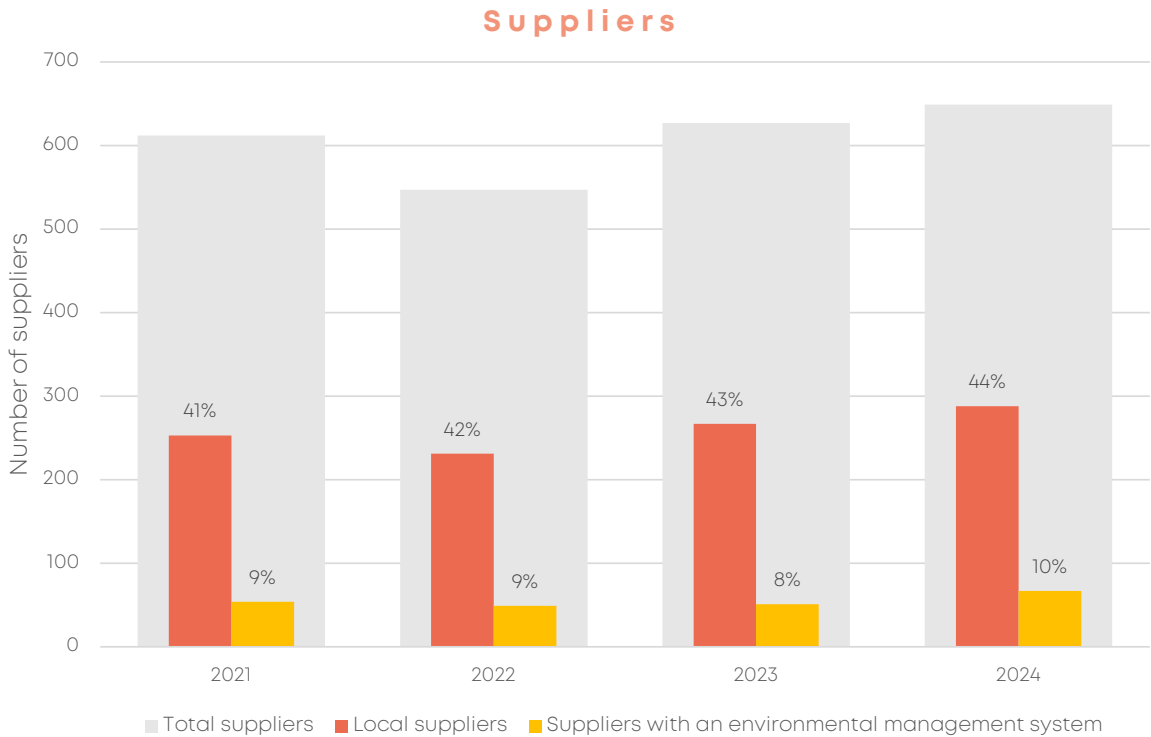
SUPPLY CHAIN MANAGEMENT

Supply chain management is a priority for Dolomite Franchi, particularly considering the **challenges related to the sourcing** of certain critical materials, especially due to geopolitical situations in various regions of the world. The company therefore pays **increasing attention to the selection and evaluation of the quality and reliability of all suppliers** involved in the production process. The procurement function has intensified efforts to search for and qualify new suppliers of strategic raw materials, collaborating with other company departments and the INTOCAST Group. Even in 2024, in collaboration with the group, Dolomite Franchi continued its search for new suppliers for materials that are particularly difficult to replace⁴.

Dolomite Franchi has a **structured supplier screening procedure**, which involves assigning a score from 1 to 100 to assess potential partners. Supplier selection is based on technical-professional criteria, such as the quality and availability of materials, but also requires **the signing of the company's Code of Ethics**. As previously mentioned, this code covers environmental protection, occupational health and safety, as well as anti-corruption and antitrust regulations, and represents a fundamental part of the company's internal policy. Sharing this code with suppliers also helps to instil a focus on virtuous behaviours across the supply chain.

In 2024, Dolomite Franchi recorded an increase in the number of suppliers compared to previous years. **Local suppliers**, meaning those based or with warehouses in the provinces of Bergamo and Brescia, slightly increased, reaching **44% of the total**. The geographical proximity of suppliers is a strategic element for the company, as it reduces transportation distances and connected emissions, while supporting the

local economy. Dolomite Franchi prefers local suppliers when technical, economic, and commercial conditions are equivalent, as confirmed by the company's founding principles, which promote the creation of secure jobs and the development of the local economy. Additionally, Dolomite Franchi maps the number of suppliers with an environmental management system. In 2024, 10% of the suppliers with whom Dolomite Franchi maintains significant supply relationships had a certified environmental management system.



⁴§ Risk: dependence on suppliers



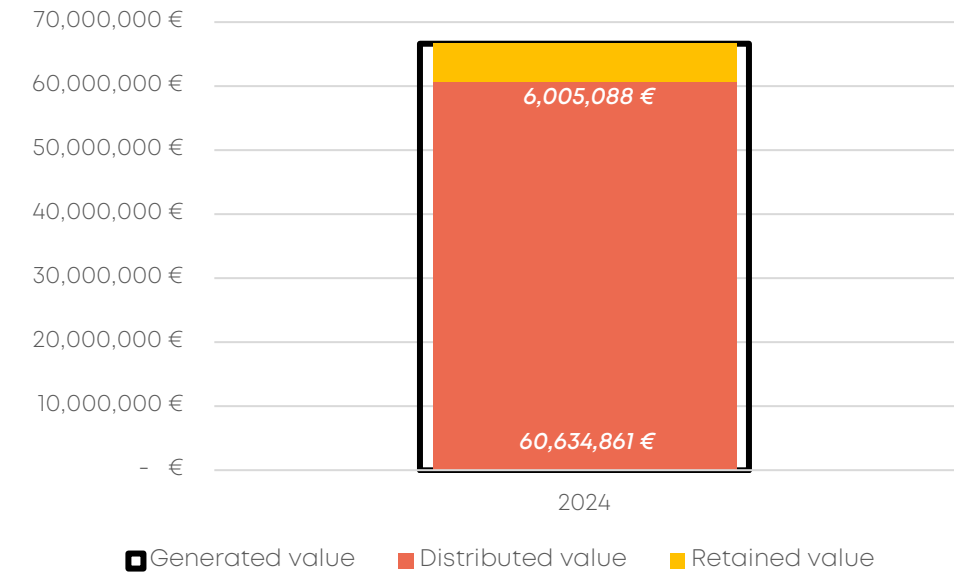
ECONOMIC AND FINANCIAL VALUE CREATION

Through its operations, Dolomite Franchi is committed not only to fostering its own development but also to contributing to the economic, social, and environmental well-being of the context in which it operates. In 2024 as in previous years, the value generated for the organisation and its stakeholders is measured in line with the parameters established by the **Global Reporting Initiative** (GRI Standards) for non-financial reporting. These standards define two main categories for reporting the company's economic performance:

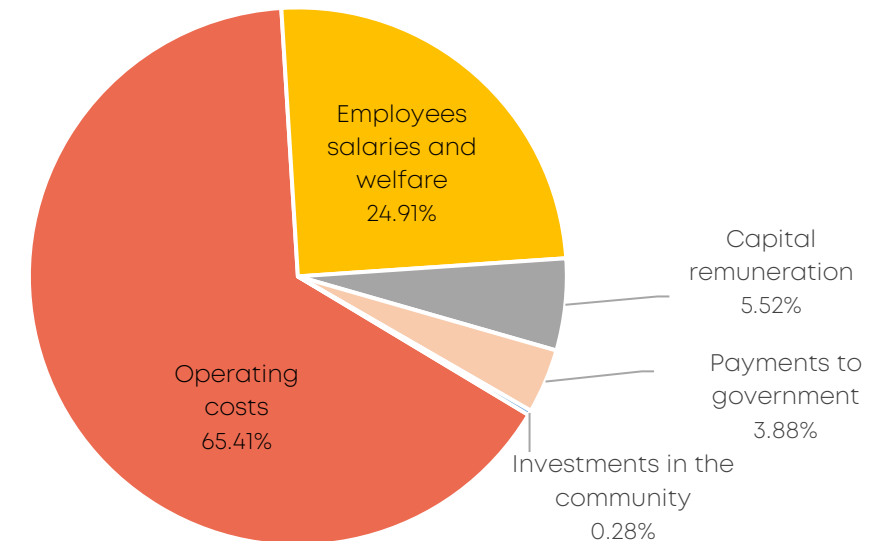
- **Directly generated economic value:** This includes revenue from net sales, earnings from financial investments, and income from the sale of goods.
- **Distributed economic value:** This includes various elements such as operating costs, salaries and benefits for employees, payments to capital providers, taxes paid to public authorities, and investments in the community.

In 2024, Dolomite Franchi generated an economic value of over 66 million euros. Of this, more than 60 million euros were redistributed among suppliers, employees, shareholders, public authorities, and the community, according to the proportions shown in the pie chart below. The portion of value retained by the company in 2024 amounted to 9% (approximately 6 million euros).

Value generated, distributed and retained



Distributed value breakdown (2024)



INVESTMENTS

The year 2024 was marked by several investments aimed at **structural upgrades and advancements in technical and technological capabilities**.

First of all, the achievement of **ISO 50001 certification**, already mentioned in the Environment chapter.

Among the initiatives related to **workplace safety** were the completion of static inspections and the upgrading of all company buildings, as well as the complete redesign of the binderyard. This redesign included the construction of a new warehouse housing the transfer areas and storage tanks.

Alongside these, the main investment in **research and development** led to the full-scale production of bitumen-bound bricks. This innovation brings numerous benefits, improving both workplace hygiene and reducing environmental impact, both at the production site and for the end customer.





GRI CONTENT INDEX

For each material issue identified, the correlation with the main international reference standard for sustainability reporting, the Global Reporting Initiative (GRI), is presented below.

There are no GRI sector standards relevant to Dolomite Franchi’s business.

Statement of use	Dolomite Franchi has reported the information cited in this GRI content index for the period 01/01/2024-31/12/2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2 – General disclosures 2021		
GRI Standard	Disclosure	Location
The organisation and its reporting practices		
	2-1 Organizational details	Methodological Note
	2-2 Entities included in the organization’s sustainability reporting	Methodological Note
	2-3 Reporting period, frequency and contact point	Methodological Note
	2-4 Restatements of information	Any variations are indicated in the text
Activities and employees		
	2-6 Activities, value chain and other business relationships	DOLOMITE FRANCHI; Supply chain management

	2-7 Employees	People management, welfare and skills development
Governance		
	2-9 Governance structure and composition	Corporate organisation and governance guidelines
	2-10 Nomination and selection of the highest governance body	Corporate organisation and governance guidelines
	2-11 Chair of the highest governance body	Letter to stakeholders
Strategies, policies, practices		
	2-25 Processes to remediate negative impacts	Management of negative impacts is specified in each relevant chapter
	2-26 Mechanisms for seeking advice and raising concerns	Integrity and transparency in business management
	2-27 Compliance with laws and regulations	Integrity and transparency in business management
Stakeholder engagement		
	2-29 Approach to stakeholder engagement	Stakeholder engagement
GRI 3 - Temi materiali - versione 2021	3-1 Process to determine material topics	Identification of Impacts, Risks and Opportunities
	3-2 List of material topics	The material topics of Dolomite Franchi

	3-3 Management of material topics	The material topics of Dolomite Franchi; The management of material topics is reported in each relevant chapter
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Disclosure	Location
Topical standard - economic	
201-1 Direct economic value generated and distributed	Economic and financial value creation
203-1 Infrastructure investments and services supported	Economic and financial value creation
205-1 Operations assessed for risks related to corruption	Integrity and transparency in business management
205-2 Communication and training about anti-corruption policies and procedures	Supply chain management
205-3 Confirmed incidents of corruption and actions taken	Integrity and transparency in business management
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Integrity and transparency in business management

Topical standard – environment	
301-1 Materials used by weight or volume	Resource use, circular economy and waste
301-2 Recycled input materials used	Resource use, circular economy and waste
301-3 Reclaimed products and their packaging materials	Resource use, circular economy and waste
302-1 Energy consumption within the organization	Energy and energy efficiency
302-3 Energy intensity	Energy and energy efficiency
302-4 Reduction of energy consumption	Energy and energy efficiency; Energy Management System
302-5 Reductions in energy requirements of products and services	Energy and energy efficiency
305-1 Direct (Scope 1) GHG emissions	GHG emissions and environmental management
305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions and environmental management
305-4 GHG emissions intensity	GHG emissions and environmental management

305-5 Reduction of GHG emissions	GHG emissions and environmental management
306-1 Waste generation and significant waste-related impacts	Waste management and treatment
306-2 Management of significant waste-related impacts	Waste management and treatment
306-3 Waste generated	Waste management and treatment
306-4 Waste diverted from disposal	Waste management and treatment
306-5 Waste directed to disposal	Waste management and treatment
307-1 Non-compliance with environmental laws and regulations	Integrity and transparency in business management
Topical standard – social	
401-1 New employee hires and employee turnover	People management, welfare and skills development
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People management, welfare and skills development
403-1 Occupational health and safety management system	Health and safety

403-2 Hazard identification, risk assessment, and incident investigation	Health and safety
403-5 Worker training on occupational health and safety	Training and personal growth
403-6 Promotion of worker health	Health and safety
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety
403-8 Workers covered by an occupational health and safety management system	Health and safety
403-9 Work-related injuries	Health and safety
404-1 Average hours of training per year per employee	Training and personal growth
405-1 Diversity of governance bodies and employees	Gestione delle persone
406-1 Incidents of discrimination and corrective actions taken	Integrity and transparency in business management
413-1 Operations with local community engagement, impact assessments, and development programs	Creating value within the community

413-2 Operations with significant actual and potential negative impacts on local communities	Creating value within the community
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and data protection

Prepared in collaboration with Fedabo SpA SB

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**Dolomite
Franchi**