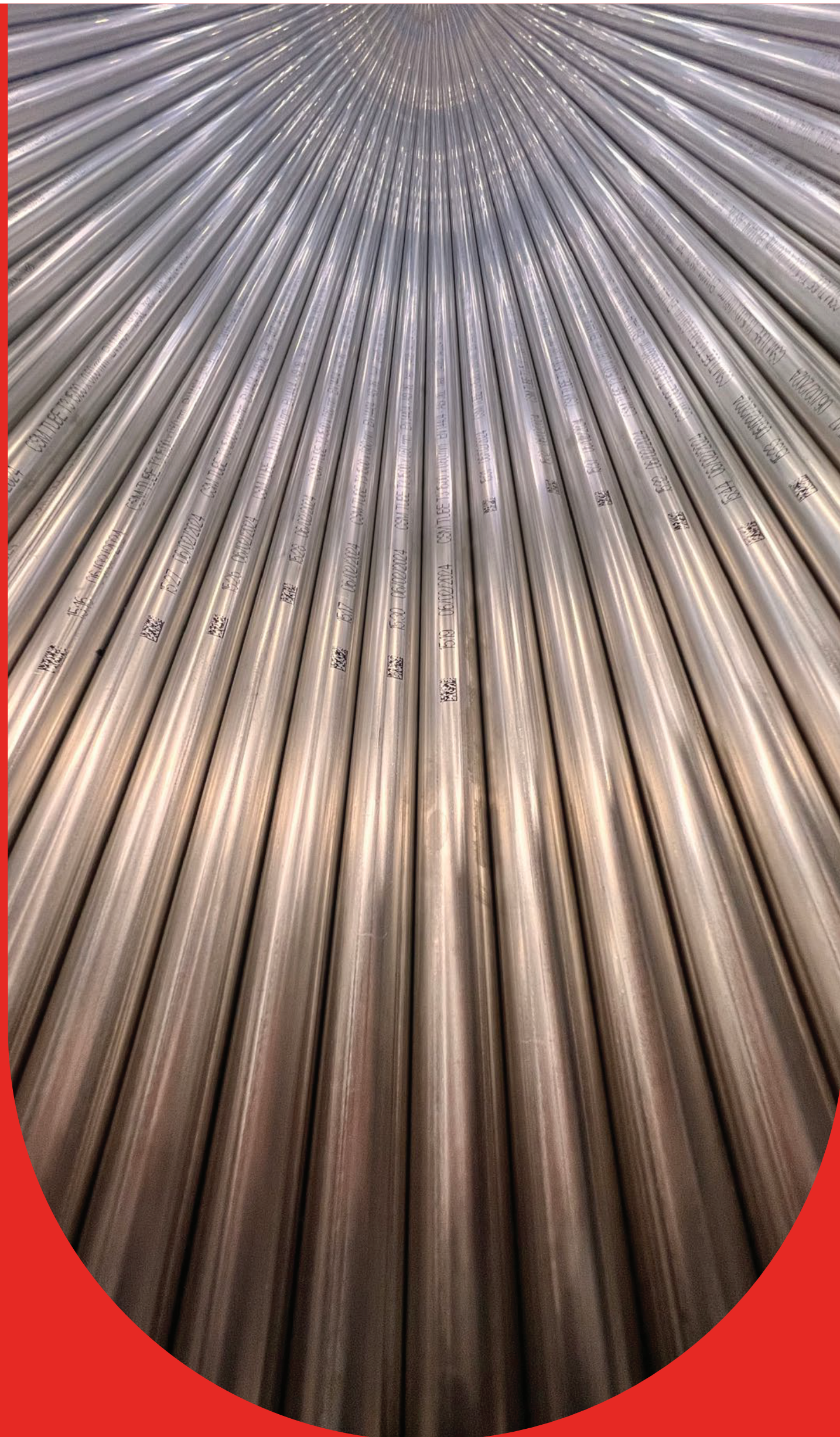




Sustainability report 2023

[csmtube.com](https://www.csmtube.com)





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Chairman's letter to the stakeholders

To our stakeholders,

We are pleased to present our first Sustainability Report for the year 2023. With this report, we wish to highlight the challenges faced and the progress made in pursuing the Sustainable Development Goals that we have measured during 2023.

The current **socio-economic scenario** is complex and constantly changing, and is exacerbated by a significant economic crisis, numerous international geopolitical tensions, high interest rates, and disruptions in commodity supply chains. In this context, manufacturers are faced with multiple challenges and the need for a concrete commitment to reduce their impact on society and the environment. In fact, we firmly believe that, in order to pursue long-term development and stability, it is necessary that business and profit objectives be accompanied by a real commitment to support people, the local areas, and society at large, by adopting industry best practices,

developing new ones, and adopting appropriate strategies to face changes with **resilience, flexibility, and a constructive spirit**.

We have always placed great emphasis on the quality of the products we manufacture and the optimisation of our processes, while at the same time pursuing the continuous improvement of our environmental performance and our company organisation, also thanks to an integrated Management System in accordance with the ISO 9001 Standard. **Creating strong and lasting relationships and partnerships**, based on trust and understanding of each other's needs, not only with our customers, but also with suppliers and other players in the value chain is a core principle for us.

At the same time, strengthened by a firmly rooted environmental awareness, we have for more than ten years now developed and implemented an ISO 14001:2015 compliant **Environmental Management System** that reflects our constant focus and commitment to reduc-

ing the environmental impact of our activities wherever possible.

None of this would be possible without the professionalism, dedication, skills, and enthusiasm of the people who work with us, to whom our commitment and dedication are directed. **The well-being, the safety, the personal and professional growth** of Human Resources and listening to their needs are a top priority. One tangible action in this direction is the ISO 45001:2018 certification.

In 2023, in order to measure and evaluate our contribution to the UN Sustainable Development Goals (SDGs), **we measured our impacts using the SDG Action Manager tool**. This tool enabled us to gain a clear view of our current performance, identifying concrete and measurable opportunities for improvement.

We will continue to invest in innovative solutions and advanced technologies, working towards a resilient transition of our business processes and strategies with a broad vision

that looks to the future, in order to seize the opportunities offered by the market and to reconcile economic stability with protection and respect for the environment and, in general, for all stakeholders.

Marco Trolese
Chairman of the BoD



Our history

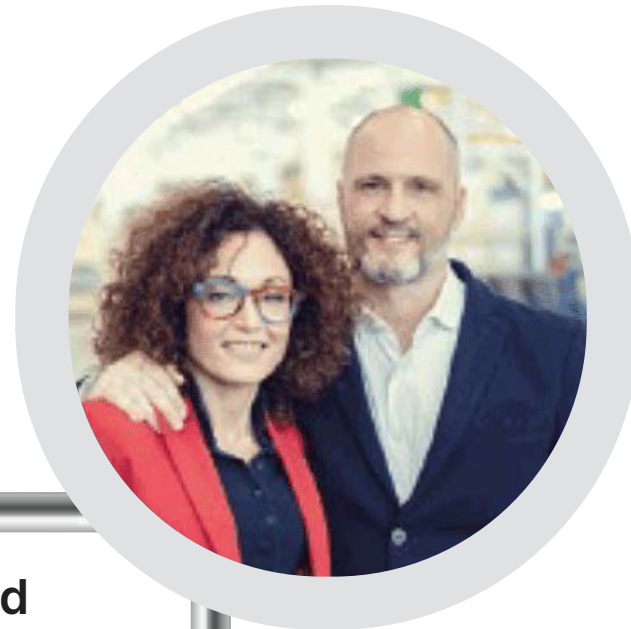


2000

Production of coiled and annealed pipe

2006

Elisabetta and Marco lead the group



2009

Establishment of CSM TUBE do Brasil



2014

Acquisition of OIM Inc - Oakley Industrial Machinery



2015

Establishment of CSM TUBE USA



2021

Commercial headquarters CSM TUBE Deutschland



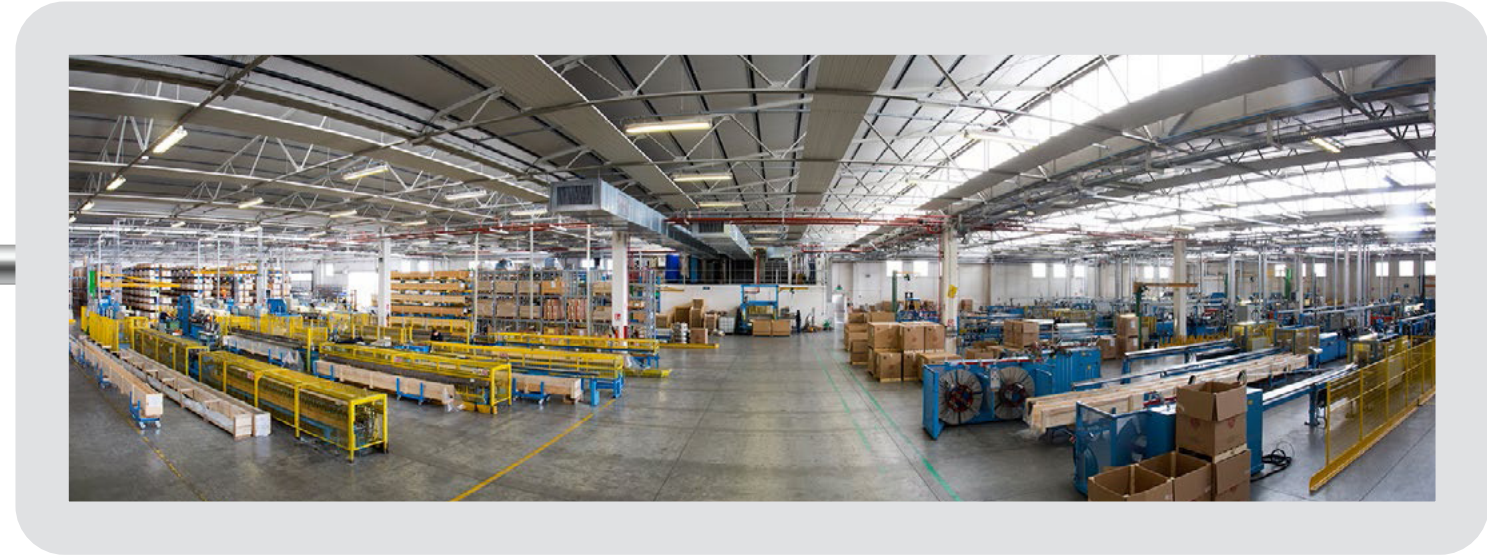
2023

New layout and expansion of the CSM TUBE production plant



2001

New CSM TUBE headquarters in Cimavilla



1983

CSM TUBE is born



1981

Giorgio Trolese founds CSM MACHINERY



Company profile and main applications

CSM TUBE spa [CSM TUBE] or, hereinafter in this document, [Company] or [Organisation] is a manufacturer of stainless steel tubes. The ATECO Code to which the company's activities refer is 24.2 - manufacture of steel tubes, pipes, hollow sections and related accessories (excluding those in cast steel).

The history of CSM TUBE began in 1983, when Giorgio Trolese started up a single production line for electro-welded stainless steel tubes of small diameter and thickness. Initially, CSM TUBE focused on small diameters and thicknesses and had an annual production capacity of 2.5 million metres. Currently, this production capacity has grown to around 70 million metres per year with dozens of different diameters and thicknesses.

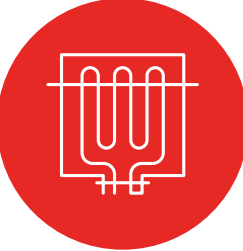
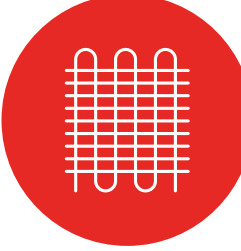




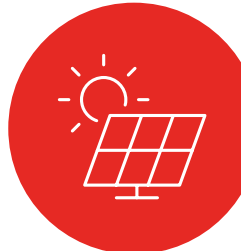

Over the years, new components have been added to the production of stainless steel tubes, such as heat-treated tubes in coils or bars from strip, high-quality stainless steel tubes, AISI 300/400, and high-nickel tubes with a high degree of customisation for specific customers.

Current production capacity is around 70 million metres per year in 60 different tube diameters, ranging from 4 to 32 mm and thicknesses from 0.3 to 2 mm. In addition to the increase in the range of diameters and thicknesses, since 2000 we have been able to supply heat-treated pipes in a controlled atmosphere, in coils or straightened and cut-to-length bars in lengths of up to 20 metres.

Today, CSM TUBE has a production site of 12,000 sq.m. This growth has been achieved thanks to the quality of the products supplied, the service, competitiveness, and continuous technological innovation that CSM TUBE has been able to guarantee.

Year after year, CSM TUBE has seen the number of lines increase and the type of products offered diversify. Moreover, CSM TUBE's steel tube production is no longer limited to Italy alone, as there are production plants in Brazil and the United States.

The application range of products manufactured by CSM TUBE is aimed at different industrial sectors:

	Heating elements		Heat exchangers		Food and beverage		Energy
	Heating equipment		Automotive		Solar thermal collectors		Air conditioning hoses

MISSION We believe in the strength of a cohesive group. We are a collection of companies guided by a common ethos, in which the values of sensitivity, solidity, and a sense of belonging meet.

VISION People, skills and entrepreneurship are the foundations of the CSM Group ecosystem: an innovative and forward-looking environment, with an eye always on growth and the creation of unbreakable bonds.



Brief description of the production processes

The factory in Cimavilla (TV) produces stainless steel tubes in bars and coils, starting from strip already cut to length. The strip is continuously fed by a decoiler and a series of shaping rollers bends it into its final tube shape and then conveys it to an enclosed welding chamber, where the flaps are joined by welding.

This operation can take place using TIG technology in a protected atmosphere or with laser technology; the latter cannot take place in the presence of a protective atmosphere, as it is not applicable due to technological limitations of the process itself. This is why it is equipped with an aspiration system. Both welding technologies are performed by fusion without filler material. After welding and before being cut to length, the tubes may or may not undergo the following in-line operations:

- Scarfing, consisting of the sanding of the welded joint;

- Rolling of the weld seam by pressing it against outer rollers and inner mandrel;
- Annealing by means of an electric induction oven in a protected atmosphere;
- Calibration, carried out using rollers to bring the tube to its final diameter.

The finished product is then packed and shipped in two main ways: cardboard boxes on wooden pallets for reels and conifer wood crates for tubes.

There is also a tube cutting and end-finishing department, consisting of 6 lines, where the rods or coils of tube produced by the roll-

forming lines are cut into shorter lengths. There is also a pipe end deburring line in the cutting department and two lines known as hammering machines, installed in 2022 and 2023 respectively.



The tubes are 100% checked by means of Eddy Current Test in accordance with EN ISO 10893/1 and 10893/2, to verify the absence of any holes and weld discontinuities, with automatic separation of the compliant parts from the rejects; lastly, the tubes are cut to length or coiled.

The coiled tubes are 100% pressure tested. These non-destructive tests are accompanied by the destructive tests required by the standards, such as, for example, spindle expansion tests, crushing tests, tensile tests, etc.



Methodological note and scope of the Report

This document is the first CSM TUBE Sustainability Report and has been prepared with the intention of describing the company's ESG (Environmental, Social, Governance) performance so that stakeholders can have an accurate and transparent view of CSM TUBE's commitment to sustainable development.

CSM TUBE is part of an industrial group consisting of several companies, whose local units are located in Italy and abroad. The entities included in the scope of this first sustainability report are the company's headquarters, at Via del Lavoro 60 in Cimavilla di Codogné (TV), and the local unit at Via Cadore Mare 23 and 25, in Cimetta di Codogné (TV), where some offices are located. Please note that the scope of this initial report does not include the production plants located in Brazil and in the United States and the sales subsidiary located in Germany. Please refer to the Group's Consolidated Financial Statements and CSM TUBE's Annual Financial Statements for economic and financial information.

This Report has been prepared with the aim of reporting on the company's commitment to the three ESG dimensions, in accordance with the GRI Sustainability Reporting Standards, which are among the most widely used and recognised non-financial reporting standards internationally to date. They have been supplemented with the Sustainable Development Goals (hereinafter also SDGs). At the end of this document is the GRI Content Index where the GRI indicators associated with each material topic can be consulted.

The reporting period refers to the calendar year from 1 January 2023 to 31 December 2023, which coincides with the year of the annual financial statements. The document was drawn up voluntarily (the company does not fall within the scope of It. Legislative Decree no. 254 of 30 December 2016, which, in implementation of Directive 2014/95/EU, envisages the mandatory preparation of a non-financial disclosure for public interest entities exceeding certain quantitative thresholds) and will continue on an annual basis. This report contains

information on aspects that are considered material, i.e. that reflect impacts of importance for the organisation from an economic, environmental and social perspective and that are able to substantially influence stakeholder assessments and decisions. This report was drafted together with the Working Group, consisting of an internal multidisciplinary team of different company professionals working in different areas.

To ensure the accuracy of the information, the use of estimates has been limited as much as possible. Where necessary, such estimates have been duly pointed out within the document and are based on the best calculation methodologies currently available. Furthermore, where possible, information was provided with a comparison in relation to the financial year 2022 and 2021.

It should be noted that the materiality analysis valid for the purposes of this report does not take into account the "Outside-in" perspective (Financial Materiality), as this exercise is to be considered entirely voluntary and not subject to audit (reference CSRD Directive).

In particular, the following aspects were considered when identifying the contents:

1. **Accuracy;**
2. **Balance;**
3. **Clarity;**
4. **Comparability;**
5. **Completeness;**
6. **Sustainability context;**
7. **Timeliness;**
8. **Verifiability.**



Materiality Analysis

CSM TUBE conducted this **Materiality Analysis** considering the guidelines of **GRI Standard 3: Material Topics** updated to 2021, which offers guidance to companies on how to identify the material topics. The term “material topics” refers to those issues that represent an organisation’s most significant impacts on the economy, the environment and people, including human rights, related to its activities and relationships. More specifically, the so-called impact materiality perspective, adopted for this Materiality Analysis, consists, through a so-called “inside-out” approach, in identifying the main impacts (positive or negative, actual or potential) that the Company’s activities have on people, the environment, and society in general. **The materiality analysis, therefore, is the starting point that the company uses to understand the expectations of its stakeholders**, identifying the most significant sustainability issues through a process of research and evaluation. **The materiality analysis process was divided into the following steps:**

1. Understanding the context of the Organisation

An essential first step in the materiality analysis involved analysing the business context in which the Company operates. This step made it possible to gather fundamental information to identify the actual and potential impacts related to the Organisation’s business. A context analysis was carried out by consulting international sustainability standards and reviewing industry literature. These results were then aligned with the analysis of the internal context regarding activities, business relationships, corporate sustainability strategy, and key stakeholders.

2. Identification of the actual and potential impacts

A second step of the Analysis involved the identification of the actual and potential impacts, leading to the creation of a list of positive, negative, potential, and actual impacts. The mission of the Organisation was assessed, together with its business model and internal sustainability strategies. This step saw the involvement of Management; this analysis helped identify 28 impacts, which were traced back to 14 material topics.

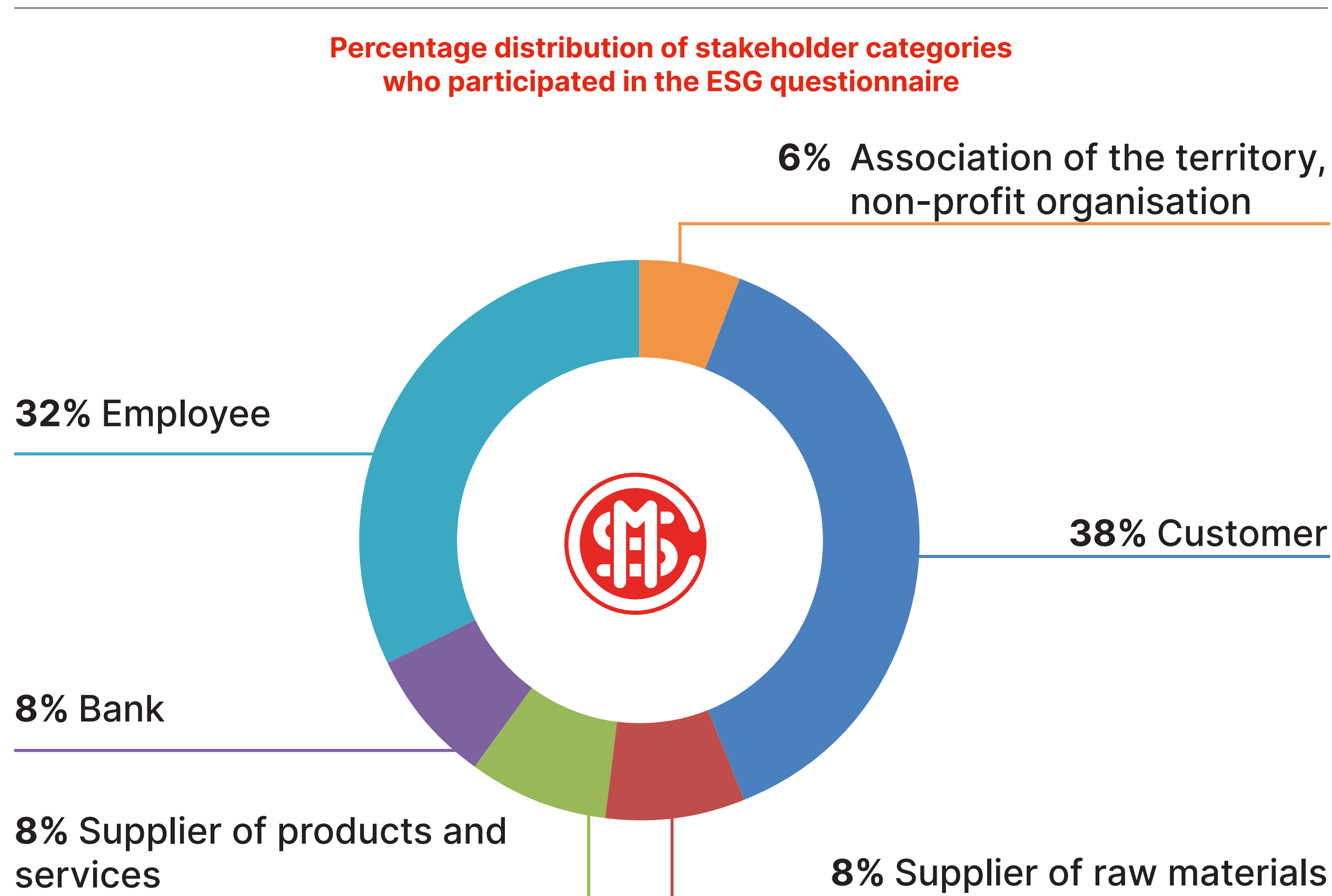
3. Assessing the importance of the impacts and stakeholder engagement

A third step involved the assessment of the extent of impacts through the identification and involvement of key corporate stakeholders. Stakeholders are defined as all those individuals or groups with some kind of interest on which the company’s activities have or could have an impact. **The identified stakeholders** who may be affected by or influence the decisions, actions, and results of CSM Tube **are listed below:**

- Customers;
- Suppliers of raw materials;
- Suppliers of products and services;
- Shareholders;
- Banks;
- Insurance companies;
- Local associations and non-profit organisations;
- Employees.



The engagement of internal and external corporate stakeholders took the form of an **ESG survey** submitted to the categories of stakeholders identified as most relevant, through which they were asked to attribute a value with respect to the significance of the impact related to CSM Tube's activity in relation to each material topic, on a scale of 1 to 5. The results of the questionnaire made it possible to prioritise sustainability issues. The percentage distribution of stakeholder categories that participated in the ESG questionnaire is shown in the graph below.











4. Prioritisation of the most significant impacts to be reported







A fourth step concerned the prioritisation of the most relevant impacts for reporting purposes. It is important to clarify that an actual impact means an effect that is already present for the Organisation, while a potential impact means an effect that may occur in the future, but has not yet happened.

The result of the materiality process is presented below, with the issues listed in descending order of impact and the area where the impact occurs or could occur. Primary activity means business processes, upstream activity means suppliers, and downstream activity means customers.

Table of material topics in order of impact

Material topic (in order of impact)	ESG area	Type of impact	Area where the impact occurs	Description of the impact	Actual / Potential
 Workers' health and safety	Social	Positive	Primary activity	Identification and application of protection and prevention measures aimed to prevent the risk of work-related injuries for workers in the company. Organisation of training and awareness-raising activities aimed at the adoption of responsible behaviour.	Actual
		Negative	Primary activity	Failure to implement an occupational health and safety management system causes an increased likelihood of accidents and injuries, reduced commitment and motivation on the part of workers, and increased regulatory and reputational risks.	Potential
 Innovation management	Governance	Positive	Primary and downstream (customers) activity	Creation of a culture aimed at technological process innovation for the production of safe products of a high quality standard.	Actual
		Negative	Primary and downstream (customers) activity	Lack of commitment to technological process innovation and insufficient attention to product quality and safety with increased likelihood of production process failure, loss of market competitiveness, and reduced customer confidence.	Potential
 Supply chain	Governance	Positive	Primary and upstream (suppliers) activity	Evaluation of suppliers not only based on criteria of quality, reliability, and economic conditions, but also on social and environmental performance and risks.	Potential
		Negative	Primary and upstream (suppliers) activity	Failure to manage supply chain risks with potential exposure to supply disruptions or slowdowns, reputational and regulatory risks, loss of business opportunities, and contributing to the generation of negative impacts on society and the environment.	Potential
 Business ethics and integrity	Governance	Positive	Primary, upstream (suppliers) and downstream (customers) activity	Adoption of decision-making processes and conduct based on criteria of legality, transparency, fairness, integrity, and impartiality in all aspects of company operations.	Actual
		Negative	Primary, upstream (suppliers) and downstream (customers) activity	Failure to conduct the company's business with ethics, integrity, responsibility with possible loss of trust by customers, investors, the company's own human resources and other stakeholders, with increased legal risks.	Potential

	Material topic (in order of impact)	ESG area	Type of impact	Area where the impact occurs	Description of the impact	Actual / Potential
	Data management and Cybersecurity	Governance	Positive	Primary and downstream (customers) activity	Security and integrity of confidential information and sensitive data managed by the company and reported to its internal and external stakeholders. Adaptation of company defences and protection of IT systems from risks of external breaches.	Actual
			Negative	Primary and downstream (customers) activity	Failure to implement cybersecurity management systems with potential risks of breaches of customer and company data privacy.	Potential
	Development of human capital	Social	Positive	Primary activity	Staff engagement, empowerment and growth, including through training and updating of skills, in order to increase their professional and personal value.	Actual
			Negative	Primary activity	Lack of focus on training and professional development of the human capital with potential low productivity and performance, difficulties in finding and retaining qualified personnel, increased turnover, and reduced competitiveness.	Potential
	Managing the legal and regulatory context	Governance	Positive	Primary and downstream (customers) activity	Monitoring of, compliance with and active participation in regulatory and legislative developments in the sector on social and environmental issues, ensuring regulatory compliance.	Actual
			Negative	Primary and downstream (customers) activity	Potential legal risks, reputational damage, loss of competitive advantage, and risk of business interruption resulting from ignoring the legal context and not participating in regulatory developments	Potential
	Working conditions and environment	Social	Positive	Primary activity	Ensuring a working environment and conditions that are appropriate and respectful of human dignity, informed by fairness, respect, inclusion, cooperation, and the promotion of equal rights and opportunities for all workers and free of discrimination.	Actual
			Negative	Primary activity	Absence of a fair and person-friendly working environment, with potential reduction in workforce motivation, enthusiasm, commitment, and productivity, increased staff turnover, loss of competitiveness, and decreased team cohesion.	Potential

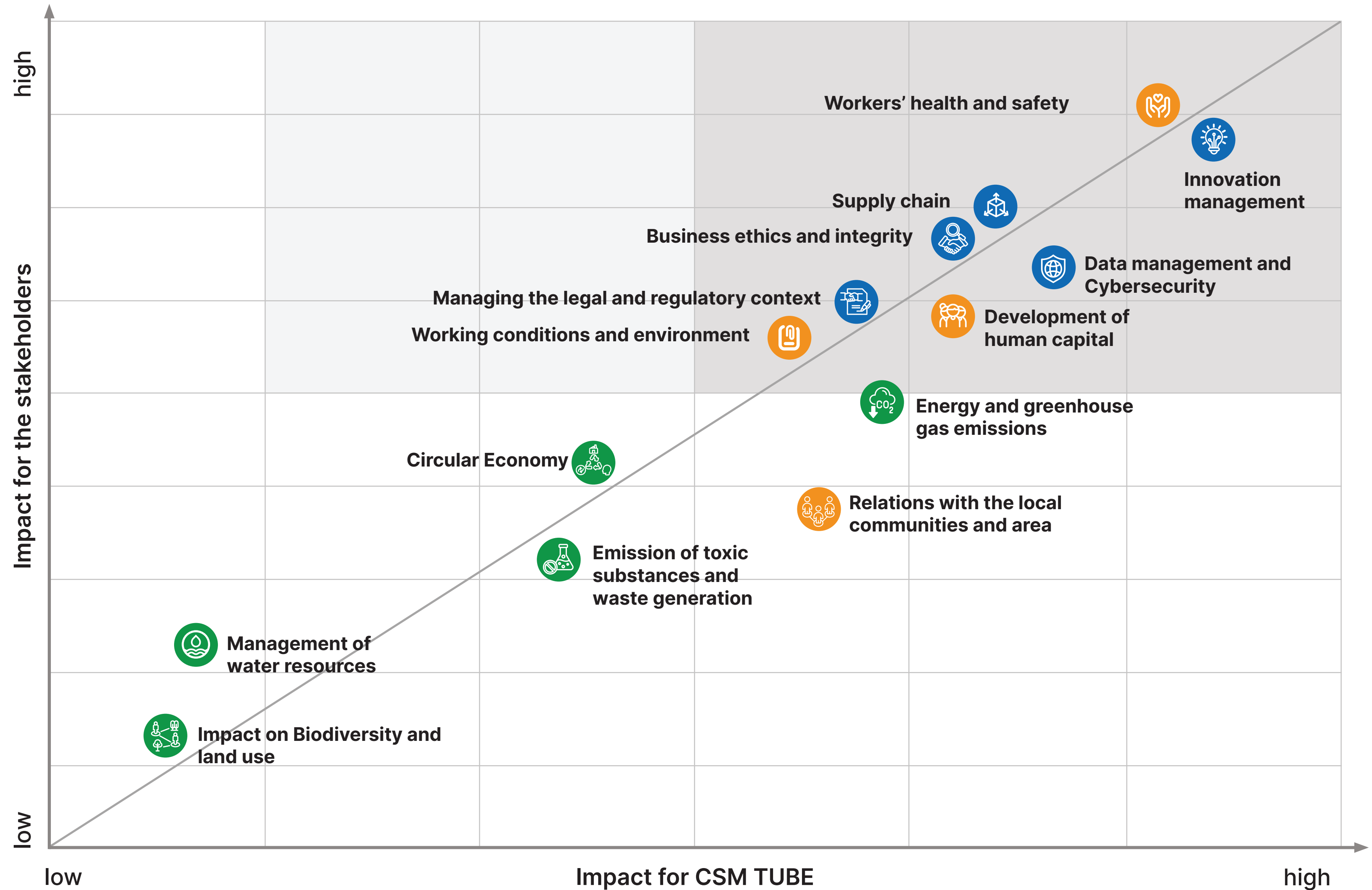
	Material topic (in order of impact)	ESG area	Type of impact	Area where the impact occurs	Description of the impact	Actual / Potential
	Energy and greenhouse gas emissions	Environment	Positive	Primary, upstream (suppliers) and downstream (customers) activity	Implementation of strategies for monitoring and subsequently improving energy-related impacts, such as the implementation of energy efficiency solutions and self-generation of energy through photovoltaic panels, with the aim of reducing greenhouse gas emissions.	Actual
			Negative	Primary, upstream (suppliers) and downstream (customers) activity	Generation of a negative environmental impact in terms of greenhouse gas emissions and contribution to climate change resulting from a lack of a strategy for energy-efficient business processes and self-generation of energy.	Potential
	Relations with the local communities and area	Social	Positive	Primary activity and local community	Entertain and manage relationships with associations and non-profit organisations in the area, in order to generate a positive transversal impact on the communities in which the company operates.	Actual
			Negative	Primary activity and local community	Lack of relationships with and involvement of the community in which the company operates, resulting in a loss of opportunities for development and valuable partnerships.	Potential
	Circular Economy	Environment	Positive	Primary, upstream (suppliers) and downstream (customers) activity	Development of initiatives with a view to the circular economy, such as the purchase of steel from recycled materials and the definition of packaging solutions for the recovery and reuse of materials.	Actual
			Negative	Primary, upstream (suppliers) and downstream (customers) activity	Failure to implement circular economy initiatives, resulting in a greater environmental impact in terms of resource exploitation and waste generation and disposal.	Potential
	Emission of toxic substances and waste generation	Environment	Positive	Primary activity	Correct management and disposal of hazardous and non-hazardous waste from the company's activities, in order to limit the impact of waste and toxic substances that can potentially harm humans and the environment.	Actual
			Negative	Primary activity	Inadequate management of toxic substances and wastes produced with potential risks of air, water, and soil pollution.	Potential
	Management of water resources	Environment	Positive	Primary activity	Responsible management of water resources with the aim of monitoring its impacts and implementing solutions aimed to increase efficiency, such as the adoption of processes to reuse water.	Potential
			Negative	Primary activity	Poor management and lack of monitoring of water resource exploitation resulting in negative environmental impacts.	Actual
	Impact on Biodiversity and land use	Environment	Positive	Primary, upstream (suppliers) activity	Monitoring the impact of the company's operations on biodiversity and the ecosystems	Potential
			Negative	Primary, upstream (suppliers) activity	Lack of monitoring of the impact on biodiversity related to company activities with consequent adverse effects on natural ecosystems	Actual

Materiality Matrix

The output of the materiality analysis process was processed and formalised within a two-dimensional graph called the **Materiality Matrix**, whose y-axis is the result of the average of the evaluations that external stakeholders and employees attributed to individual material topics, while the x-axis shows the average of the evaluations attributed by company Management.

Key

- Governance
- Social
- Environment





CSM TUBE



Governance

Corporate governance

CSM TUBE is a joint-stock company incorporated in Italy at the Treviso Companies' Register. CSM TUBE is under the control of its sole shareholder, CSM Holding spa, which holds 100% of its shares. CSM TUBE's corporate governance structure includes the Board of Directors and the Board of Statutory Auditors, appointed by the Shareholders' Meeting.

The structure of the corporate bodies as at 31 December 2023 comprises, in detail:

- The Board of Directors that carries out all operations necessary to achieve the corporate purpose and manages the company with the diligence required by the nature of the task;
- The Independent Auditor, responsible for the statutory audit of the financial statements;
- The Board of Auditors, which is responsible for ensuring compliance with the law, the articles of association, and the principles of proper administration;
- The Supervisory Board: established pursuant to (It.) Legislative Decree no. 231/01, it is responsible for supervising the effectiveness, efficiency, maintenance, and updating of the Organisation, Management and Control Model pursuant to (It.) Legislative Decree no. 231/01.

The members of the CSM TUBE **Board of Directors** hold other offices only within the Group Companies and are appointed by the Ordinary Shareholders' Meeting, which decides with the legal majorities. The Directors remain in office, subject to revocation and resignation, for a period of three financial years. The term of office is renewed at the Ordinary Shareholders' Meeting convoked to approve the financial statements (the Board of Directors' term of office expires with the approval of the 2023 financial statements).

In addition to its powers pursuant to the law and the Articles of Association, the Board is exclusively responsible for the most important economic and strategic decisions. The Directors are entitled to the remuneration determined by the Shareholders' Meeting.

The members of the Board of Directors, in office until the date of the Shareholders' Meeting called to approve the Financial Statements as at 31 December 2023, are broken down by gender and age bracket in the table below. There are no independent members on the Board of Directors of

CSM TUBE SPA BOARD OF DIRECTORS AS AT 31 DECEMBER 2023

Member	Assignment	Gender	Age group	Executive/ Non-executive
Marco Trolese	Chairman	Man	30-50	Executive
Elisabetta Trolese	Managing Director	Woman	30-50	Executive
Pierluigi Carpanini	Chief Executive Officer	Man	> 50	Executive

CSM TUBE, and the Chairman is not a senior executive of the Organisation.

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, as well as compliance with the principles of good management. It consists of 5 persons, a Chairman, two Standing Auditors and two Alternate Auditors. Sixty per cent (60%) of the members of the Board of Statutory Auditors are women and each member meets the requirements of honourableness, professionalism, and independence laid down by law. The members of the Board of Statutory Auditors are in office until the date of the Shareholders' Meeting convoked to approve the Financial Statements as at 31 December 2023.

CSM TUBE bases its industrial relations policy on a constructive dialogue, which aims at involving the various company figures and maintaining a good company climate. The search for shared solutions results in a total absence of conflict of interest. No critical issues were reported to the highest governing body during the reporting period.

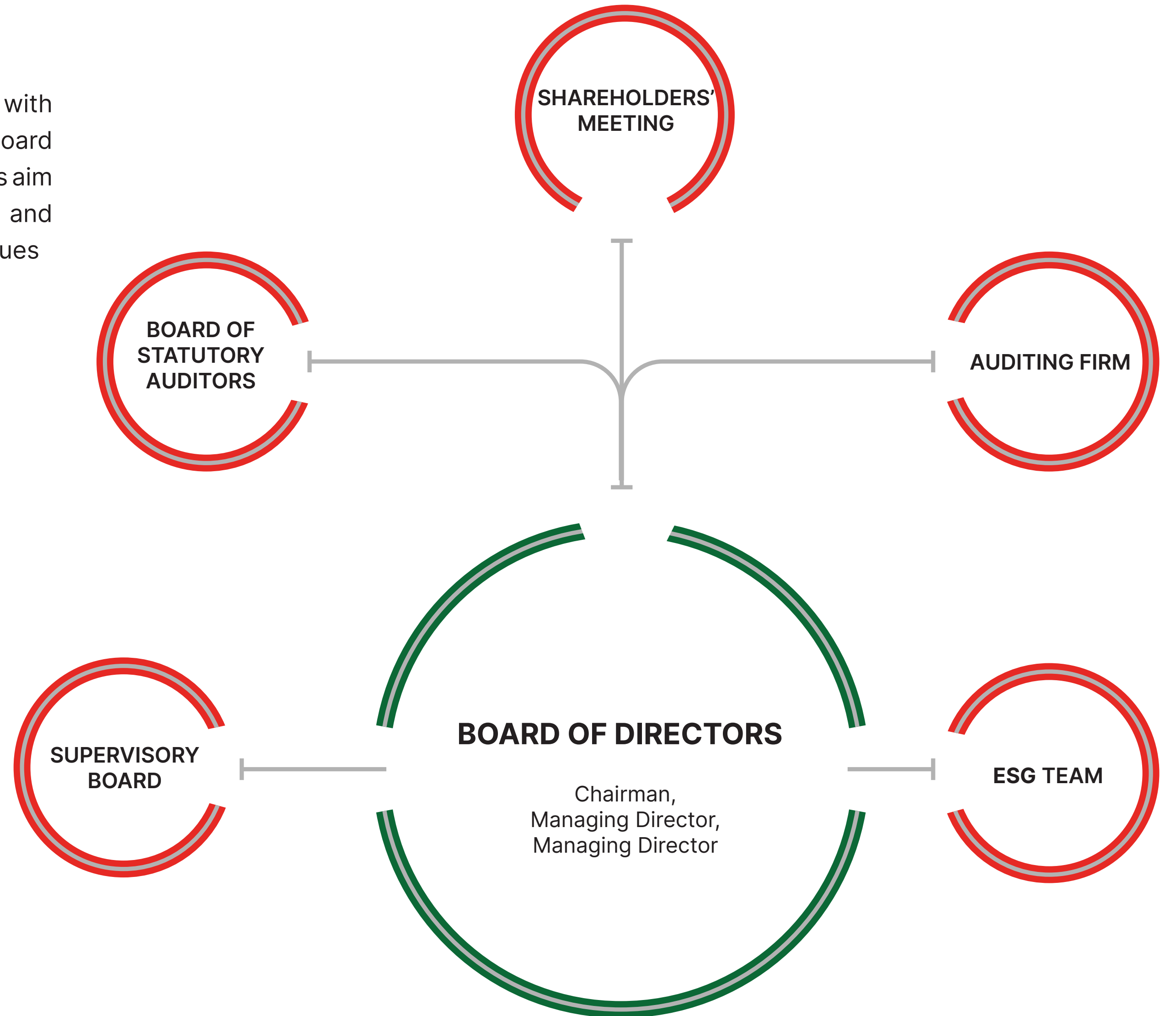
Sustainability governance

The Board of Directors also plays a central role in the process of laying down corporate strategies with respect to environmental management, including climate change, and social issues.

The annual Sustainability Report is prepared through a process involving multiple internal company functions, such as shareholders, the board, HR, HSE, purchasing, finance, operations, quality, R&D, and sales.

These figures form the company's ESG team, which is responsible for overseeing the implementation of sustainability initiatives and monitoring performance. This process includes the collection and analysis of data on activities, business reports and internal initiatives, as well as the engagement of stakeholders to ensure an inclusive view of the impacts.

These data and information are shared with the shareholders' meeting and the board through regular meetings. These meetings aim to share achievements, new challenges, and opportunities related to sustainability issues



Innovation management



CSM TUBE's strong customer focus, of which innovation, research, and development are fundamental pillars, testifies to the fact that the company is focused on listening to stakeholders' needs in order to find the best solutions to offer. CSM TUBE is meeting new market challenges, thanks to investments in new production layouts that have enabled the development of more complex lines and lines that, in general, are prepared for the adoption of laser welding technology.

CSM TUBE has a change management procedure that aims to define the activities to be carried out when developing new processes or modifying existing ones, in order to minimise their impact on the environment and on people's health and safety, thus ensuring business continuity and constant levels of product and service quality. This procedure specifies how new machinery, plant and equipment installed and subjected to acceptance testing must be checked for conformity with the applicable regulations.

The research and development activities carried out in recent years have enabled us to increase the range of products supplied, not only in terms of new types of tube, but by expanding the production range to include new diameters, allowing the welding of tubes with a diameter/thickness ratio of less than 8 mm and with the ultimate goal of being able to weld new alloys.

Describing the main projects undertaken in R&D, it should be noted that a new process was implemented during 2023 **to assemble the tube with an aluminium profile inside,** with the aim of increasing heat dispersion within an exchanger. The design was developed in partnership with a customer and made it possible to streamline the process, reducing several production steps and providing the customer with an integrated solution. Following the consolidation of the pipe hammering process, it was decided to implement a second hammering line.

Also in 2023, **in cooperation with the University of Padua, a project was launched to study a new layout of the profile** with a different number of heads and training profiles. The project was realised using forecasting simulation software based on the principles of the "Digital Twin". This project made it possible to set up a pilot-scale plant in a virtual environment, with the aim of finding the best solution in terms of a number of parameters, including metallurgical stress, tube roundness, and related mechanical properties. In addition to significantly reducing pilot scale testing, this project made it possible to apply laser technology on the combination of certain diameters where it could not be used before. The fibre laser was also tested on a profile for small-diameter and thick tubes, obtaining good results with some diameters. In light of this evidence, a major investment was formalised for two new laser sources to be implemented during 2024.

Digitalisation project

Starting in 2021, CSM TUBE began a **digitalisation process for monitoring production data** with the aim of improving data traceability, monitoring the production process in a more punctual manner, and digitalising information and data that used to be recorded in hard copy format. All the company's machinery communicates with an MES for data collection, with reference to certain process parameters, such as the dimensional characteristics of the tube and other quantitative and qualitative aspects. All production performance data is managed by an ERP and dedicated software (Ignition), with the aim of monitoring traceability, production waste, and productivity.

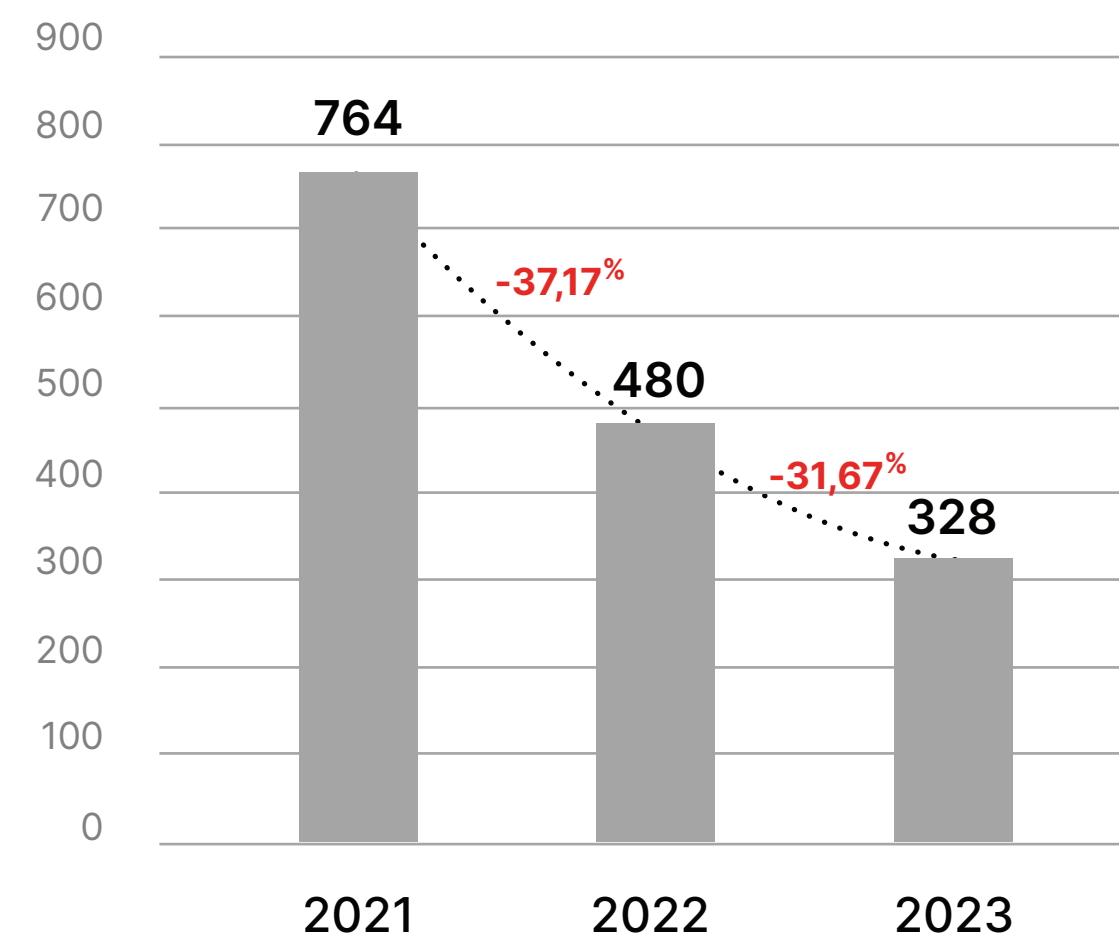
The digitalisation project, which came into full swing in 2023, has basically made it possible to:

1. Send production data from the company management system to the machines, including production recipes and raw material parameters;

2. Receive from the machine:
 - The identification data of the operator involved in the process;
 - Characteristic production data, such as tube forming, welding, annealing, marking, cutting, and process quality data;
 - The data relating to production quantities;
 - The efficiency of the production process and rejects;
 - The causes of downtime.
3. Have full real-time traceability of production with all the characteristic parameters associated with it;
4. Streamline and boost processes by eliminating activities with little added value (e.g. compilation and data entry);
5. Save a significant amount of paper for process data recording.

The graph below shows the reduction of A4 paper sheets over the last three years, thanks to the digitalisation process (especially in the production department), which came into full swing in 2023.

A4 paper consumption in kg over the three-year period 2021-2023



Overall, the digitalisation process has led to improved traceability, integrity, and usability of data, limiting errors and interpretations and optimising the production process in terms of efficiency.

Since 2023, a process of internal sharing of this information has also begun, whereby regular quality, safety, and environment meetings are used as opportunities to share analyses of production data and identify appropriate improvement actions where necessary. Statistics on the progress of company processes are periodically shared on **digital whiteboards** in the company, in **order to raise awareness among employees**.

During 2023, the company trained its staff working in its offices in Brazil and the USA in the use of the new digital data collection systems and the new integrated management system.

The goal for 2024 will be to hire a process engineer to further improve data analysis, with the aim of implementing new business process optimisation solutions.

Supply chain



CSM TUBE is aware that, in order to operate consistently with the principles of Sustainable Development and to meet the highest standards of integrity, it is essential to involve its supply chain. This is done through the creation of partnerships based on trust and consideration of each other's interests, needs, and expectations. In this perspective, CSM TUBE recognises that the long-term success of the company depends not only on the quality of its products, but also on the way it manages the entire supply chain, as reducing risks - including ESG risks - associated with the supply chain is essential to ensure the continuity of operations.

In 2023, the Company embarked on a major initiative to boost engagement and collaboration with its key suppliers through the stakeholder engagement process for the creation of the Materiality Analysis. In this regard, the involvement of suppliers proved crucial not only to better understand the impact of the company's activities, but also to identify and address the challenges and opportunities related to its sustainability journey.

CSM TUBE's supply chain is characterised by the presence of historical suppliers of goods and services including, predominantly, suppliers of steel strip and coils, assets and spare parts, star profiles, packaging, software, maintenance and electrical services,

transport, and the provision of other types of services, including outsourcing. Materials account for the bulk of procurement to cover the company's needs, both in terms of volume of material procured and expenditure. In accordance with the company's integrated management system, CSM TUBE evaluates its strategic suppliers on several key parameters:

- Quality performance and internal rejects in the production process;
- Punctuality of deliveries;
- Quantity rejected compared to quantity delivered;
- Days of delivery delays.

Based on these parameters, extrapolated from the company's management system, CSM TUBE generates a vendor rating to assess supplier performance and a PDF report to identify each supplier's strengths and areas for improvement and make informed decisions on maintaining business relationships. The suppliers evaluated in this manner are suppliers of raw materials and subcontractors. Packaging suppliers and transporters are assessed in a formalised manner but using different criteria based on the risk assessment of the material/service provided.



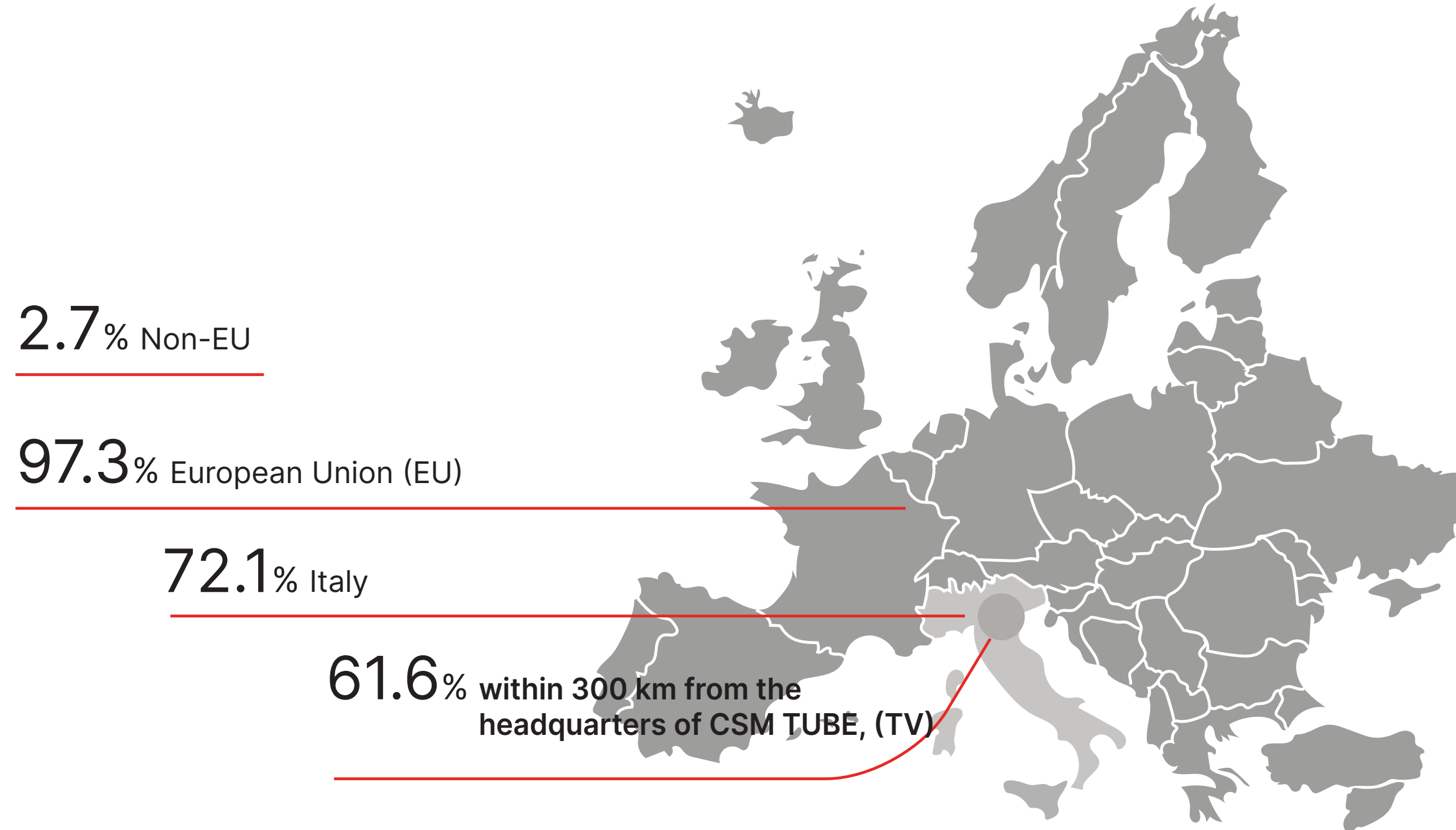
CSM TUBE is firmly committed to responsibly managing its supply chain to ensure environmental sustainability, respect for human rights, transparency and traceability, while reducing risks and ensuring regulatory compliance.

Geographical supply chain location analysis

With regard to the proportion of expenditure made in favour of local suppliers, in relation to CSM TUBE's procurement activities, the plant in Cimavilla di Codogné (TV) in Veneto, which is also the company's headquarters, has been designated as the site of significant activity. As a definition of "local area" procurement, the Company decided to use the metric of a 300 km radius around the Organisation's perimeter.

The main suppliers of CSM TUBE were selected for the analysis, based on their procurement expenditure during the fiscal year 2023. For the selection of the main suppliers, we chose to consider suppliers who accounted for 96.1% of the total supply expenditure, considering all CSM TUBE suppliers in the analysis, with the exception of suppliers with an expenditure amount of less than EUR 30,000. To calculate the distances, we took into account the location of the supplier where CSM TUBE makes its purchase. The table opposite shows the percentages of expenditure to suppliers located outside the EU, in the EU, in Italy and within 300 km of the Cimavilla di Codogné (TV) site.

Percentage of expenditure on local suppliers, by geographical area



The company also collects information about the certifications held by suppliers. In particular, **quality, health and safety, and environmental** certifications are analysed. In 2023, a detailed analysis was carried out on the company's suppliers who accounted for 96.1% of procurement expenditure, considering the criteria defined above, in order to gather information on the certifications they hold.

The data were collected through public information on the websites of supplier companies and are expressed, in the table below, as a percentage of procurement expenditure for suppliers with quality, health and safety, and environmental certifications.

Percentage of expenditure for suppliers with certifications

Type of certification	% of expenditure year 2023
Quality Management System - ISO 9001	93.5%
Environmental Management System - ISO 14001	84.8%
Health and Safety Management System - ISO 45001	81.5%

The above analysis shows that **most of the company's procurement expenditure is towards suppliers certified in the areas of quality, environment, and health and safety.**

It should be noted that, where applicable, formal declarations are collected from suppliers regarding compliance with the REACH and RoHS regulations on the registration, evaluation, authorisation, and restriction of chemicals and restriction on the use of hazardous substances.

Conflict minerals

The term **conflict minerals** is used to define certain minerals and metals known as 3TG (which include tin, tantalum, tungsten, and gold, derived from minerals such as cassiterite, columbite-tantalite, and wolframite) mined or processed in geographical areas with natural resources in high demand characterised by armed conflicts, post-conflict fragility, poor governance, and systematic violations of international law, including human rights. In these areas, proceeds from such activities can contribute to the financing of armed groups engaged in civil wars, labour exploitation, and human rights violations, as well as encourage corruption and money laundering.



In order to prevent the supply of these minerals from contributing to these negative effects, both the US government and the European Union have put in place dedicated laws. In 2017, the European Union published Regulation (EU) 2017/821, which came into force on

1 January 2021 and establishes due diligence obligations in the supply chain of Union importers of ores or metals containing tin, tantalum, tungsten, and gold, originating from conflict or high-risk areas.

CSM TUBE assesses the presence of conflict minerals by collecting information in the supply chain of steel products.

2024 objectives



In 2024, CSM TUBE will strive to create a Supplier Code of Conduct that sets out the standards of conduct and ethical values of integrity, accountability, transparency and sustainability declined in its three ESG dimensions with which all suppliers of goods or services to CSM TUBE must comply in order to maintain relations with the Company.

The Code of Conduct will require respect for human rights, fairness, environmental protection, and regulatory compliance by corporate suppliers in their operations and interactions with internal and external stakeholders. Furthermore, the code will promote collaboration with suppliers and partners to ensure ethical and sustainable sourcing throughout the supply chain, thus helping to build long-term relationships of trust and value.

Once drafted, the Code of Conduct will be published and made available on the company's website.

Business ethics and integrity



CSM TUBE considers ethics and business integrity to be fundamental prerequisites for business success, having adopted since 2018 the **Code of Ethics**, an official document approved by the Board of Directors, compliance with which is of paramount importance for the company's smooth operation, reliability, and reputation.

This document is available on the CSM TUBE website and the principles described therein are inspired by the following general values of conduct:

- Integrity, honesty, fairness and conflict of interest;
- Respect for the dignity of the individual and a commitment to enhance professional skills;
- Human Rights;
- Transparency of transactions and unfair competition;
- Transparency in accounting;
- Protection of health & safety and the environment;
- Business management and standards of conduct.

CSM TUBE is committed to avoiding all forms of discrimination and harassment, is opposed to any use of forced/compulsory/child labour and is committed to defending the dignity of workers by encouraging diversity and providing equal opportunities for all, including through continuous training. Please refer to the Code of Ethics for further details on the contents.

During the reporting period, there were no incidents of discrimination based on race, colour, gender, religion, political opinion, nationality or social origin, nor other forms of discrimination involving internal and external stakeholders of the organisation.

CSM TUBE has also adopted, since 2018, an **Organisation, Management and Control Model pursuant to (It.) Legislative Decree no. 231/01**, which covers occupational health and safety issues. This document includes general rules of conduct laid down to prevent the commission of offences, including corruption.

The Supervisory Board, established pursuant to (It.) Legislative Decree no. 231/01, has the task of monitoring compliance with the procedures set out in the Organisation, Management and Control Model. During 2023, the Supervisory Board carried out regular audits according to the plan defined at the beginning of the year. These meetings led to some areas for improvement. By resolution of the Board of Directors of 31 March 2021, the company adopted the **Whistleblowing Procedure**, which will be subsequently updated during 2023 with the entry into force of (It.) Legislative Decree no. 24 of 30 March 2023.

The purpose of the Whistleblowing Procedure is to enable any person to report, anonymously, unlawful conduct, even alleged conduct, of which he/she has become aware within his/her work context.

The subject appointed to receive, analyse, and verify reports is the company's Supervisory Board.

CSM TUBE is committed to disseminating awareness of the Code of Ethics and of the Whistleblowing Procedure by publishing these documents both internally and externally. CSM TUBE adopts a zero-tolerance policy towards corrupt practices, illegitimate favours, and collusive behaviour. It is absolutely forbidden to favour, directly or through third parties, personal advantages for oneself or others, contrary to the principles of fairness, honesty, respect, and professionalism.

In 2023, there were no reports received through the Whistleblowing channel and CSM TUBE confirms full compliance with the applicable laws and regulations. It should also be noted that, during 2023, there were no cases of non-compliance with laws, regulations and incidents of corruption, and no legal actions were initiated concerning anti-competitive behaviour and violations of antitrust laws in which CSM TUBE was identified as a participant.

Data management and cybersecurity



CSM TUBE oversees privacy and cybersecurity issues in order to mitigate the risks of data breaches and business disruptions due to cyber attacks.

The company implements appropriate organisational and technological measures, for example, through a complex system of perimeter protection with redundant firewalls and endpoint protection with EDR and XDR. The computer systems are protected by dedicated passwords supplemented by MFA protocols. The company periodically conducts an in-depth analysis of all company computer systems to assess any vulnerability risks by means of “penetration tests” and “vulnerability assessments”. A multilevel backup policy has also been adopted.

Training courses have been provided to all company staff using IT tools, **with the aim of raising workers’ awareness of the importance of data protection** and the correct use of IT tools. Periodic “**phishing simulation**” campaigns are carried out to test users’ attention to the above-mentioned topics. Over the past year, an analysis of the

data collected from the campaigns carried out has shown a significant reduction in successful grooming, thanks mainly to training and awareness-raising activities.

In 2024, significant investments are expected in upgrading the network infrastructure and 365 packages with additional security devices (MFA and MDM). With regard to the topic of privacy, it is important to emphasise that every employee, at the time of employment, signs a privacy policy in accordance with Article 13 of the Data Protection Regulation (EU) 2016/679 (GDPR). This document provides clear and transparent information on the processing of their personal data.

As at 31 December 2023, no substantiated complaints regarding breaches of customer privacy were found, nor were any incidents of leakage, theft or loss of customer data identified. This result reflects the effectiveness of the systems and procedures implemented by CSM TUBE to protect customer privacy and ensure the security of the personal data processed.



The goal for the future will be to continue to continuously invest in training activities for both employees and management.



Managing the legal and regulatory context



CSM TUBE constantly monitors regulatory and legislative updates in the sector, as well as supervising and managing social and environmental issues. In particular, thanks to the constructive dialogue with the association Centro Inox (Italian association for the development of stainless steels), CSM TUBE is constantly updated on the main European regulations governing stainless steel products.

Different regulations may apply to products manufactured by CSM TUBE, depending on the sales sector involved. In detail, the products can be divided into two macro-families:

- General-purpose pipes;
- Pipes for pressure purposes.

Tubes for pressure purposes are manufactured in accordance with the "Pressure Equipment Directive 2014/68/EU, Annex I, Section 4.3." and in compliance with "EN 10217 Part 7 of 2014", which regulates the technical delivery conditions.

The pressure pipes manufactured by CSM TUBE comply with the AD 2000 Merkblatt HPO and W0 standards, designed to meet the essential safety requirements contained in Directive 97/23/EC.

Products manufactured by CSM TUBE also conform to ASTM grade 249 and related ASME SA 249 covering standard specifications for welded austenitic steel, condenser tubes, heat exchangers, and boiler vessels. The ASTM 249 Tube is designed with a chemical content of nickel, chromium and molybdenum with other constituent alloys, which gives these tubes greater resistance to corrosive and oxidative media. ASTM A249 tubes show superior strength and torsion, giving them

excellent resistance in various applications. These conformities are particularly important in certain markets, such as the US, Canada and South America.

CSM TUBE firmly believes in the value of certifying its products to ensure high quality standards and to safeguard the health and safety of users.

The above-mentioned certifications (together with compliance with REACH, RoHS and It. Ministerial Decree of 21/03/1973 and subsequent updates for pipes intended for



CSM TUBE confirms that during the reporting period there were no incidents of non-compliance with regulations and/or voluntary codes, concerning the impacts of products and services on health and safety and that resulted in sanctions, penalties or warnings.



the food and beverage sector, described in more detail in the section “Toxic emissions and waste generation”) **testify to the Company’s commitment to assessing the health and safety impacts of its products.** These impacts are particularly significant in certain industries, such as the automotive and food and beverage sectors.

As far as the legal and regulatory framework of the steel sector is concerned, Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023, better known as the CBAM (Carbon Border Adjustment Mechanism), should be highlighted. The CBAM is a carbon border adjustment mechanism that imposes a tax on emissions generated by products imported by companies. It is defined as a tax linked exclusively to emissions and to date only applies to certain product categories, including steel. The CBAM mechanism thus envisages the application of a price for emissions embedded in certain products and envisages two different implementation phases: the “transitional phase” and the “final phase”.

Assessing the current context of CSM TUBE’s supply chain, only a marginal share of approximately 3% of the supply expenditure for the purchase of strips and coils is located outside the EU. Although the impact of the CBAM Regulation is, to date, not relevant for CSM TUBE’s business, the company is committed to monitoring new scenarios directly related to this Regulation.

The company has implemented a **Quality Management System** and obtained **ISO 9001** certification by defining a Quality Policy that aims to:

- Produce quality products by complying with international standards and customer specifications;
- Guarantee focus on customers and their needs, in order to provide products that systematically meet their requirements and the applicable mandatory requirements;
- Improve business effectiveness and efficiency by reducing scrap through the continuous increase of monitoring and evaluation of quality and productivity data, implementing a process of continuous improvement;

- Manage lean, standardised and innovative processes, where everyone’s skills are harnessed and enhanced and where the operator’s experience is complemented by technology and innovation;
- Allow personnel to grow and participate, to operate with motivation, awareness and responsibility in accordance with company directives. The company has introduced a system for analysing **customer satisfaction** by sending customers a questionnaire and analysing indicators linked to the company’s quality performance. This is, for example, the number of complaints received and the analysis of the causes for returning products sold. The company also has other **company indicators (KPIs) to monitor the level of quality** such as: scrap analysis, non-conformity analysis, and analysis of the causes of product defects.

The steel tubes manufactured by the Company are marked and contain the following information:

- Producer name;
- Diameter;
- Thickness;
- Alloy;
- Casting reference;
- Batch number and reference regulations.



In the reporting year, there were no incidents of non-compliance with regulations and/or voluntary codes, concerning labelling/ marking or product information that resulted in a warning, penalty or sanction.



CSM TUBE



Social

People



People are central to CSM TUBE; their dedication, professionalism, and ethics are fundamental and indispensable values for the long-term stability and success of the company.

As per the company's Code of Ethics, each individual is called upon to contribute to, promote, and maintain a climate of mutual respect in the working environment.

In order for each employee to realise his or her full potential, CSM TUBE applies criteria of merit and professional competence in all decisions concerning employees. Furthermore, employees are selected, recruited, trained, remunerated, and managed without any discrimination, ensuring fair and equal treatment to all, regardless of gender, age, nationality, religion, ethnicity, political, philosophical or sexual orientation, with regard to all aspects of the employment relationship. Value is added to the work of employees and collaborators through the assignment of tasks consistent with their skills and in line with their growth path.

In compliance with the Conventions of the International Labour Organisation (ILO) and the Company's commitment to respecting fundamental human rights, preventing child exploitation and the use of forced labour, CSM TUBE prohibits any form of violence, threats, harassment, abuse of authority, exploitation of situations of physical or mental inferiority or necessity such as to create a hostile working environment, to unjustifiably interfere with the work of others; and to create obstacles to the professional prospects of others.

The company undertakes to promptly notify employees of any significant operational changes, respecting both collective bargaining agreements and internal regulations. This commitment promotes transparency and fairness in decision-making and in the implementation of changes that may affect working conditions.

Before announcing any major operational changes, the company's management discusses and evaluates such changes together with employee representatives and recognised trade union organisations. This approach ensures that all perspectives are considered, fostering informed decisions and constructive dialogue between all parties involved.

The following table provides an overview of the information on company employees for the three-year period 2021-2023. At the end of the reporting year (31 December), CSM TUBE had a workforce of 115 employees, **95.7% of whom were employed on permanent contracts**. Sixteen (16) new resources were recruited in 2023, while the outgoing turnover was 12.2%. This index is lower than the national average of 17.6% for the year 2022 (Confindustria Labour Survey 2023, Issue 3/23 - 02 August 2023).



Employee overview

	2021	2022	2023
Total employees	109	113	115
Permanent	99	108	110
Fixed-term	10	5	5
Part-time	6	4	5
New recruits	19	18	16
Average age	39	40	40
Men	92	93	94
Women	17	20	21
Average hours of training	8.3	5.4	11.3
Turnover*	16.5%	12.4%	12.2%
Job growth rate **	\	3.7%	1.8%

* (total employees terminated as at 31 December / total no. of employees as at 31 December) *100

** % change: (total employees as at 31 December - employees on the payroll 12 months before) / employees on the payroll 12 months before

Workers' health and safety



CSM TUBE regards occupational health and safety as a fundamental right of workers and a crucial element of corporate sustainability. To implement this commitment, the company has put in place a **Health and Safety Policy** and implemented several internal procedures, including some concerning the monitoring of work-related injuries, near misses, and has identified training activities aimed at raising awareness of responsible behaviour among company personnel. To achieve this goal, the company is dedicated to promoting and consolidating an occupational **health and safety culture**, fostering risk awareness through adequate resources, education and training.

CSM TUBE recognises that the achievement of high safety standards depends on the contribution of the entire organisation and is committed, to this end, to the implementation of a **continuous improvement** process in line with the requirements of the **UNI EN ISO 45001:2018 Certification**. Having achieved ISO 45001 certification demonstrates the organisation's commitment to this issue and testifies to the correct and careful application of the provisions of the organisation,

management and control model pursuant to (It.) Legislative Decree no. 231/01, with specific regard to Special Section "C" - offences concerning health and safety in the workplace.

CSM TUBE manages health and safety aspects with the aim of identifying all risks present in the company and implementing any improvement activities in order to reduce and, where possible, eliminate risks. Specific health protocols are in place that dictate periodic health surveillance for employees exposed to specific risks in order to ensure fitness for the job.

The company draws up the Unified Document for the Evaluation of Risks from Interference (DUVRI) with the aim of identifying and assessing interference risks and identifying the measures to be taken to eliminate or reduce as far as possible the risks generated by contracted activities entrusted to external companies.

The company also has an Emergency Management Plan. The document provides specific procedures to be applied according to the type of emergency situation that may

occur during work activities.

The company analyses and discusses health and safety aspects with workers through regular meetings held by members of the Quality, Safety and Environment (QSA) team. Internal audits are carried out bi-monthly with the participation of the employer, the Health and Safety Manager (RSPP) and the Health and Safety Officer (ASPP), and external audits are carried out periodically by a consultant.

The health and safety risk analysis is periodically reviewed. The output of the analysis is a risk assessment document (RAD), which is updated when new activities, processes, substances, organisational changes, and stakeholder observations are introduced. This document is drawn up by the employer in cooperation with the RSPP and the company doctor. CSM TUBE provides its workers with specific personal protective equipment (PPE) according to the job task.



It should be noted that company mobile phones are available to the production manager, the plant manager, the SPP (risk prevention and protection service) and the company supervisors, using which, via an application, it is possible to access a company chat concerning health and safety aspects, where it is possible to share and report aspects for improvement. CSM TUBE has digital notice boards, posted in the production area, which track and share with company personnel performance indicators in relation to Health and Safety aspects.

Occupational health and safety training is planned annually and provided on the basis of legislative requirements and the particular nature of the work performed by each individual worker. In addition to training courses, targeted training plans are in place based on the tasks of individuals.

The company provides employees with internal forms through which they can report ways of improving health and safety within the company and there is a reward system for those employees who are more active in terms of reporting.

The robustness and organisation of CSM TUBE's internal Health and Safety Management System is also reflected in the Accident or Near Miss Management procedure, which lays down a specific protocol on the actions to be taken in the event of an accident or a near miss.

According to the trade union agreement signed on 19 April 2023, the Company envisages that 20% of the performance bonus paid would be related to the accident index targets. Activities carried out in the

year 2023 and related to health and safety aspects include:

- Resurfacing of road markings in goods loading and unloading areas;
- Appointment of the warehouse safety officer (PRSES) for periodic inspection of racks and cantilevers;
- Installation of anti-collision devices (TAGs) not only on forklifts, but also on company personnel and external personnel travelling to the production area;
- Removal of equipment and/or activities that could have generated safety risks.

The following tables show **the accident data for employees and non-employees** over the three-year period 2021-2023. Accidents were calculated on the basis of the guidelines described in GRI 403-9 and 1,000,000 was used as the multiplication coefficient, in line with the requirements of the standard for large companies such as CSM TUBE.

In particular, the work accident rate was calculated as the number of accidents in relation to total hours worked. The serious accident rate includes accidents at work with serious consequences, while the death rate includes the number of deaths caused by accidents at work. The same denominator and multiplication coefficient, i.e. 1,000,000, is used for all indices.



For the year 2024, CSM TUBE aims to increase the number of employees for the emergency teams. In addition, as a further objective for the improvement of PPE management, the company will install an automatic dispenser of personal protective equipment according to the task performed by each qualified employee.

In the aftermath of accidents, the Workers' Safety Representative (RLS) is always involved and informed of how the accident occurred and what action is taken.



A financial award is given annually to workers who have distinguished themselves through commitment, sensitivity, and diligence on health and safety issues.

Accident indices Employees

DESCRIPTION	2021	2022	2023
Number of recordable work-related injuries	4	5	3
Number of work-related injuries with serious consequences* (excluding deaths)	0	0	0
Number of deaths as a result of work-related injuries	0	0	0
Number of hours worked	221,430	215,355	202,674
Recordable work-related injury rate	18.1	23.2	14.8
Rate of work-related injuries with serious consequences (excluding deaths)	/	/	/
Rate of deaths due to work-related injuries	/	/	/

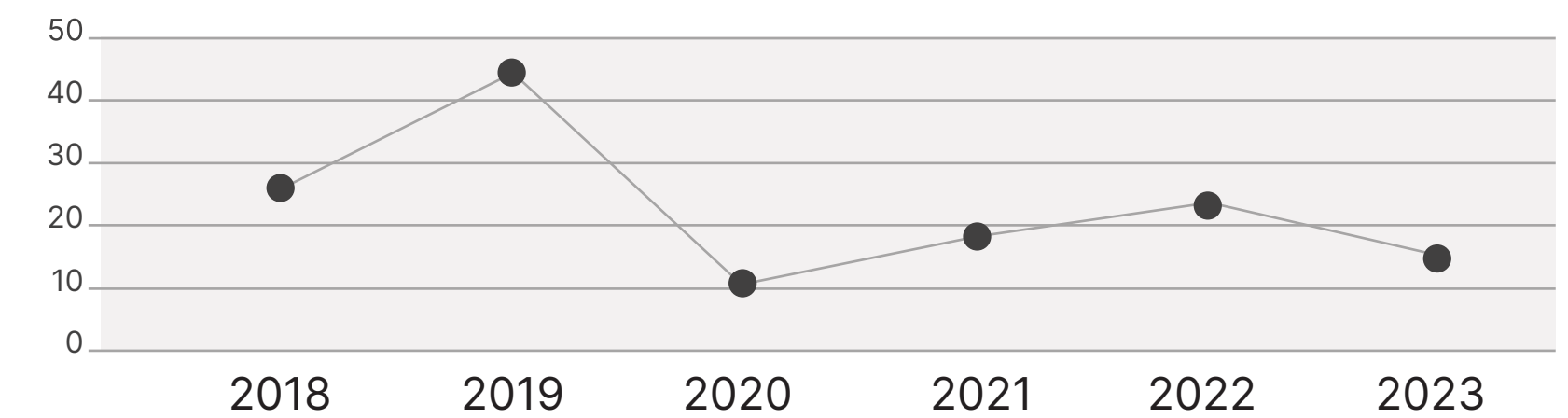
Accident indices Non-employees

DESCRIPTION	2021	2022	2023
Number of recordable work-related injuries	1	0	1
Number of work-related injuries with serious consequences* (excluding deaths)	0	0	0
Number of deaths as a result of work-related injuries	0	0	0
Number of hours worked	16,053	21,384	10,245
Recordable work-related injury rate	62.3	0	97.6
Rate of work-related injuries with serious consequences (excluding deaths)	/	/	/
Rate of deaths due to work-related injuries	/	/	/

* Serious Consequences = An occupational accident that leads to death or harm from which the worker cannot recover, does not recover or cannot realistically be expected to recover fully and return to his or her pre-accident state of health within 6 months.

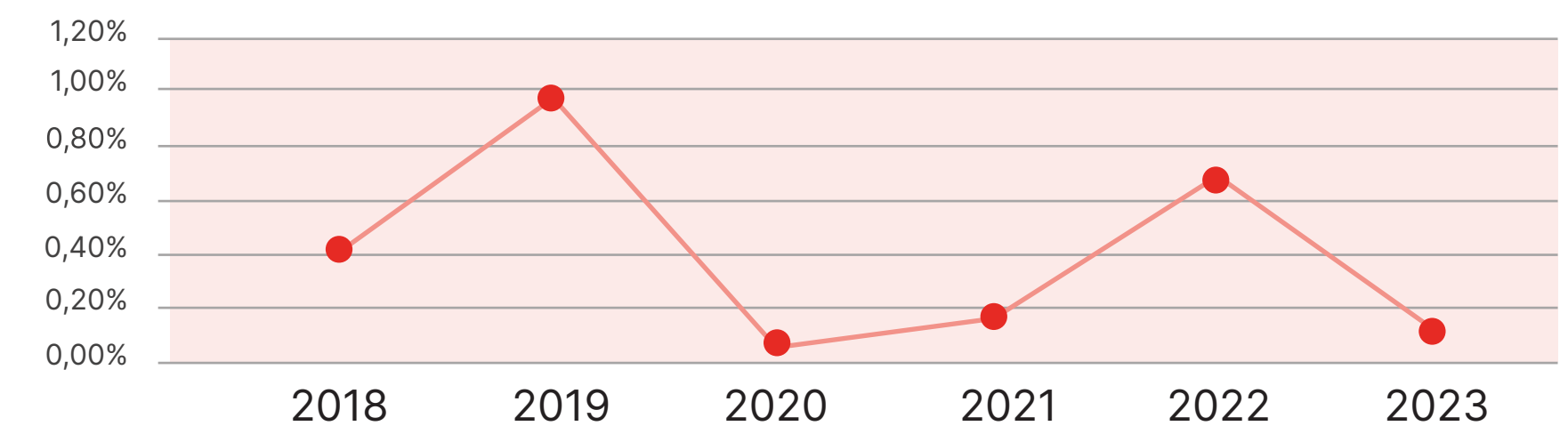
The graph below shows the trend of CSM TUBE employee injury rates from the year 2018 to 2023.

Accident frequency indices Employees



The following graph shows the trend, and related indices, of hours lost due to accidents compared to hours worked for CSM TUBE employees. As can be seen from the graph, the trend is improving over the three-year period 2021-2023.

Employee KPI: percentage of hours lost due to work-related injuries in relation to hours worked



Development of human capital



At CSM TUBE, the management of human resources is a structured process that is attentive to the needs of employees from the moment they are hired. On recruitment, new employees are given and explained the company's Code of Ethics, together with the employment contract, the organisation and management model, and information on the whistleblowing system. The Rules and Regulations and the main company procedures - such as the safety organisation chart, forms for contact persons in case of emergency and information on privacy protection - are also provided.

Approximately **thirty days after recruitment**, the HR department conducts an **individual interview** to assess how the employee has settled into the new working environment and to identify any **aspects for improvement**. A further interview is scheduled after six months from the date of induction, for a more in-depth analysis of the employee's integration and performance. In the event of a resignation,

the HR department conducts an interview to understand the reasons behind the decision.

The following tables show the data on CSM TUBE employees at the end of the reporting period (31 December), with a comparison over the three-year period 2021-2023, showing their breakdown by gender, age group, professional category, type of employment, and employment contract.

In the 2021-2023 reporting period, it should be noted that 100% of CSM TUBE employees are covered by collective bargaining agreements for the metal industry, thus ensuring fair working conditions in line with industry regulations. In this respect, CSM TUBE offers appropriate salaries in line with national collective agreements. The Company complies with the regulations in force concerning working hours, rest periods, weekly rest, compulsory leave and holidays, and undertakes to guarantee all employees access to the parental leave they are entitled to and the resumption of their work at the end of their leave.

It should be noted that, as at 31 December 2023, 66.1% of employees belong to the 30-50 age group, **while 17.4% of the workforce is composed of employees under 30 years of age**. The majority of employees, 74.8%, are blue-collar workers, followed by white-collar workers, who account for 20%. Furthermore, 95.7% of employees have a permanent contract, a figure in line with that of the year 2022.

The percentage of women employed in the company has grown steadily over the past three years, reaching 18.3% in the current reporting year. Although women are mainly employed in administrative roles, 2023 saw the recruitment of female workers, marking a diversification of the positions occupied compared to the previous two years. The company also introduced 16 new resources during the year 2023.

In particular, 9 employees under the age of 30 and 6 in the 30-50 age bracket were hired, signalling a company growth towards young resources.



Employees by professional category and age group

	2021				2022				2023			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
%												
executives	0.0%	1.4%	12.5%	2.8%	0.0%	1.3%	12.5%	2.6%	0.0%	2.6%	10.5%	3.5%
middle managers	0.0%	1.4%	6.2%	1.8%	0.0%	1.3%	6.3%	1.8%	0.0%	0.0%	5.3%	0.8%
white-collar workers	19.0%	25.0%	0.0%	20.2%	25.0%	24.7%	0.0%	21.2%	20.0%	23.7%	5.3%	20.0%
blue-collar workers	81.0%	72.2%	81.3%	75.2%	70.0%	72.7%	81.2%	73.5%	75.0%	73.7%	78.9%	74.8%
apprentices	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.9%	5.0%	0.0%	0.0%	0.9%
TOTAL %	19.3%	66.0%	14.7%	100%	17.7%	68.1%	14.2%	100%	17.4%	66.1%	16.5%	100%

Employees by gender and age group

age group	2021						2022						2023					
	men	%	women	%	total	%	men	%	women	%	total	%	men	%	women	%	total	%
<30	17	18.5%	4	23.5%	21	19.3%	14	15.1%	6	30.0%	20	17.7%	14	14.9%	6	28.6%	20	17.4%
30-50	59	64.1%	13	76.5%	72	66.0%	63	67.7%	14	70.0%	77	68.1%	61	64.9%	15	71.4%	76	66.1%
>50	16	17.4%	0	0.0%	16	14.7%	16	17.2%	0	0.0%	16	14.2%	19	20.2%	0	0.0%	19	16.5%
TOTAL	92	84.4%	17	15.6%	109	100%	93	82.3%	20	17.7%	113	100%	94	81.7%	21	18.3%	115	100%

Employees by gender and professional category

	2021			2022			2023		
	men	women	total	men	women	total	men	women	total
%									
executives	3.3%	0.0%	2.8%	3.2%	0.0%	2.6%	4.3%	0.0%	3.5%
middle managers	2.2%	0.0%	1.8%	2.2%	0.0%	1.8%	1.0%	0.0%	0.8%
white-collar workers	5.4%	100%	20.2%	5.4%	95%	21.2%	6.4%	80.9%	20.0%
blue-collar workers	89.1%	0.0%	75.2%	89.2%	0.0%	73.5%	88.3%	14.3%	74.8%
apprentices	0.0%	0.0%	0.0%	0.0%	5.0%	0.9%	0.0%	4.8%	0.9%
TOTAL	84.4%	15.6%	100%	82.3%	17.7%	100%	81.7%	18.3%	100%

Employees by gender and type of employment

type of employment	2021						2022						2023					
	men	%	women	%	total	%	men	%	women	%	total	%	men	%	women	%	total	%
full time	92	100%	12	70.6%	104	95.4%	93	100%	16	80.0%	109	96.5%	93	98.9%	17	81.0%	110	95.7%
part time	0	0.0%	5	29.4%	5	4.6%	0	0.0%	4	20.0%	4	3.5%	1	1.1%	4	19.0%	5	4.3%
TOTAL	92	84.4%	17	15.6%	109	100%	93	82.3%	20	17.7%	113	100%	94	81.7%	21	18.3%	115	100%

Employees by gender and type of contract

employment contract	2021						2022						2023					
	men	%	women	%	total	%	men	%	women	%	total	%	men	%	women	%	total	%
permanent	83	90.2%	16	94.1%	99	90.8%	89	95.7%	19	95.0%	108	95.6%	90	95.7%	20	95.2%	110	95.7%
fixed-term	9	9.8%	1	5.9%	10	9.2%	4	4.3%	1	5.0%	5	4.4%	4	4.3%	1	4.8%	5	4.3%
TOTAL	92	84.4%	17	15.6%	109	100%	93	82.3%	20	17.7%	113	100%	94	81.7%	21	18.3%	115	100%

Recruitment and employee turnover

age group	2021						2022						2023					
	recruitment			terminations			recruitment			terminations			recruitment			terminations		
	men	women	total	men	women	total	men	women	total	men	women	total	men	women	total	men	women	total
<30	8	3	11	6	2	8	7	3	10	8	0	8	7	2	9	2	2	4
30-50	8	0	8	6	1	7	8	0	8	5	0	5	2	4	6	5	3	8
>50	0	0	0	3	0	3	0	0	0	1	0	1	1	0	1	2	0	2
TOTAL	16	3	19	15	3	18	15	3	18	14	0	14	10	6	16	9	5	14

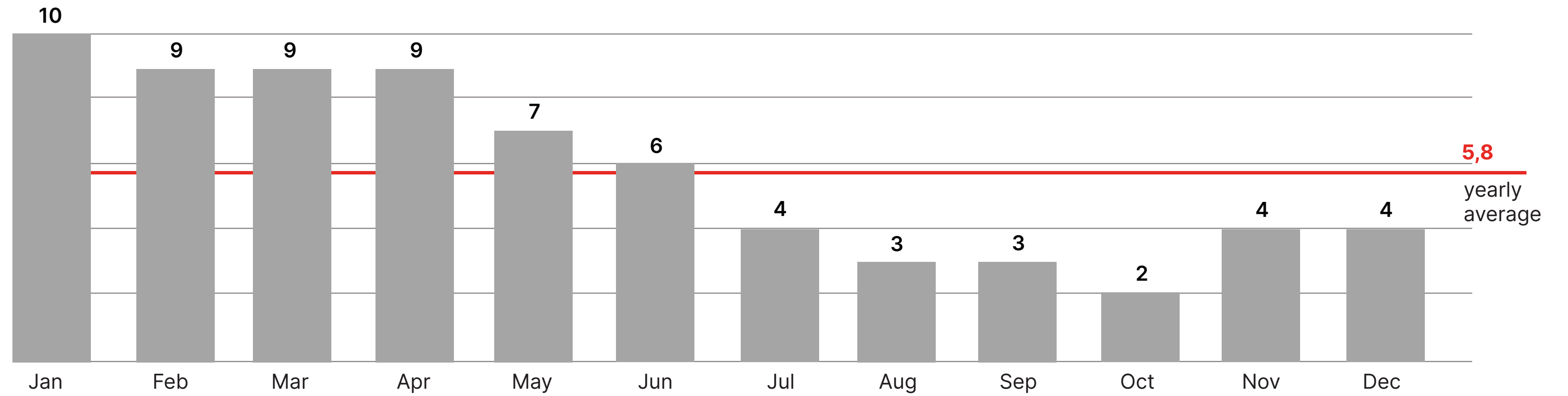
% age group	2021						2022						2023					
	recruitment			terminations			recruitment			terminations			recruitment			terminations		
	men	women	total	men	women	total	men	women	total	men	women	total	men	women	total	men	women	total
<30	47.1%	75.0%	52.4%	35.3%	50.0%	38.1%	50.0%	50.0%	50.0%	57.1%	0.0%	40.0%	50.0%	33.3%	45.0%	14.3%	33.3%	20.0%
30-50	13.6%	0.0%	11.1%	10.2%	7.7%	9.7%	12.7%	0.0%	10.4%	7.9%	0.0%	6.5%	3.3%	26.7%	7.9%	8.2%	20.0%	10.5%
>50	0.0%	0.0%	0.0%	18.8%	0.0%	18.8%	0.0%	0.0%	0.0%	6.3%	0.0%	6.3%	5.3%	0.0%	5.3%	10.5%	0.0%	10.5%
TOTAL	17.4%	17.6%	17.4%	16.3%	17.6%	16.5%	16.1%	15.0%	15.9%	15.1%	0.0%	12.4%	10.6%	28.6%	13.9%	9.6%	23.8%	12.2%

Contracted workers

Temporary agencies are no longer mere intermediaries, but actively participate in corporate success by selecting and providing qualified resources. In 2023, the temporary workers employed by CSM TUBE were exclusively in the production area.

The following graph shows the number of temporary workers employed by CSM TUBE in 2023. As at 31 December, there were 4 agency workers, compared to an average number of agency workers during the reporting period from 31 January 2023 to 31 December 2023 of approximately 5.8 workers.

Number of temporary workers year 2023



Training

CSM TUBE is constantly committed to the training of its workers, ensuring that all training activities are recorded and tracked within the company management system. Over the past year, the company has offered training in particular in health and safety, basic job-related training and sustainability.

Specifically, in September 2023, corporate management was involved in an ESG training preparatory to the subsequent assessment of corporate SDGs through the SDG Action Manager tool. The topics covered included the concept of sustainability for business, ESG finance, the 2030 Agenda, key ESG risks and opportunities, non-financial reporting and sustainability communication, ESRS and the new CSDD Directive, GRI Standards and ESG supply chain assessment.

As the tables below show, **an average of 11.3 hours of training per employee was delivered in 2023**, a significant improvement on the average 5.4 hours in 2022. Furthermore, 90.7% of employees participated in training programmes, an increase from 69.3% in the previous year.

“

In 2023, regular meetings were organised by the QSA Group with production staff, addressing Quality, Safety and Environmental issues, with the aim of raising awareness among staff to pay continuous attention to a safe and responsible working environment.

In 2023, hours of **training not required** by law accounted for **48.5% of the total training hours provided, reflecting** the extent to which the company invests in training, even training not strictly required by law, such as training on health and safety aspects.



Average training provided

job classification	2021			2022			2023		
	men	women	total	men	women	total	men	women	total
executives	26.1	\	26.1	2.0	\	2.0	35.5	\	35.5
middle managers	29.5	\	29.5	3.0	\	3.0	2.5	\	2.5
white-collar workers	24.5	13.6	16.1	13.6	12.6	12.8	18.4	16.3	16.8
blue-collar workers	4.9	\	4.9	3.6	\	3.6	8.9	5.5	8.8
apprentices	\	\	\	\	0.0	0.0	\	13.3	13.3
TOTAL	7.3	13.6	8.3	4.1	12.0	5.4	10.4	14.8	11.3

Other indicators related to training

	2021		2022		2023	
	No.	%	No.	%	No.	%
people who received the training	74	58.3	88	69.3	117	90.7
people who did not receive the training	53	41.7	39	30.7	12	9.3
TOTAL	127	\	127	\	129	\

	2021	2022	2023
% Hours of compulsory training as a ratio to total training hours	63.7%	53.7%	51.5%
% Hours of non compulsory training as a ratio to total training hours	36.3%	46.3%	48.5%
% Total training hours in relation to hours worked	0.5%	0.4%	0.8%

Working conditions and environment



CSM TUBE is committed to creating a constructive, stimulating and inclusive working environment, paying particular attention to the well-being and satisfaction of its employees. **Every week, a company coach conducts a programme through which he or she meets with a number of heads of department, mainly related to production, with the aim of fostering the process of listening and sharing and to improve certain aspects of working life.**

In 2023, **CSM TUBE introduced a solidarity time bank**, regulated by a union agreement signed on 15 June 2023. This agreement allows employees to donate leave to other colleagues with special needs, with the company doubling the donated hours. In the company there are three trade union representatives (RSU) belonging to one trade union.

As far as pension funds are concerned, employees can have the option of accessing a supplementary private pension plan, through the Cometa fund and the Solidarietà Veneto fund. CSM TUBE supplements the amount paid by the employee, as provided for by the regulations in force.

CSM TUBE offers individual flexibility in entry and exit times depending also on the tasks performed. The company has formalised WFH agreements with some employees, with the aim of further regulating these agreements in 2024 according to the specific needs of the employees.

CSM TUBE is aware that **improving the living conditions**, both private and working, of the people within the Company and the satisfaction of its employees is a useful tool for achieving the corporate objectives. In this sense, **corporate welfare** is guaranteed as provided for in the National Collective Bargaining Agreement (CCNL). Furthermore, by the end of the first half of 2024, the implementation of a corporate welfare plan through the activation of the “TreCuori” platform is planned.

This plan consists of the provision of a notional credit that can be used for certain welfare services to meet the personal needs of the individual worker.

With the activation of the Welfare Plan, CSM TUBE intends to further contribute to

the creation of a better working environment, **increase the sense of belonging**, enable **a good work-life balance** and stimulate maintaining (or, even better, raising) current productivity levels. Thanks to the amount made available by the Company, workers will be able to choose goods and services for themselves and their families, including shopping vouchers, reimbursements for utility bills, health services, recreational, sporting and cultural activities, education and public transport. The beneficiaries of the Welfare Plan are all employees and contract workers.

The performance bonus is paid on the basis of a union agreement with shared targets for workers. For white-collar workers, middle managers and executives, performance is assessed by specific targets that influence the year-end bonus. The HR department assigns the award for the past year, sets the goals for the following year and, together with the evaluated employee's supervisor, provides and receives feedback. In addition, the company pays an additional six-monthly bonus for workers in relation to attendance.

CSM TUBE also provides its employees with **supplementary health coverage** through the fund envisaged by the metal industry, Metasalute. Still on the subject of health and well-being, employees can also benefit from a 10% discount on certain health services, e.g. blood tests, at a contracted medical centre. Each year, as was also the case in 2023, CSM TUBE organises a company event to involve employees, share the past year's results, objectives and future investments.

During the summer, as temperatures rise, **mineral salts are distributed free of charge to employees**. In addition, as of 2023, the company has provided some **free water coolers**, accessible via a water bottle donated to workers.

Relations with the local communities and area



CSM TUBE believes that business success must go hand in hand with the well-being of the communities in which it operates. The company recognises that its actions affect not just its own context, but also influence the surrounding area and the people living there. The following paragraphs describe some activities aimed at the community and the local area.

Velo club San Vendemiano cycling club

CSM TUBE's passion and social commitment are also expressed **in the sports field**, alongside the Velo club San Vendemiano cycling club, picking up **the legacy passed on by CSM TUBE founder Giorgio Trolese** in favour of sports and young people.

Every year the company participates in sporting events organised by the cycling club to be present in the area and support local sporting initiatives. CSM TUBE sponsored the 17th Trofeo Città di San Vendemiano, awarded to Florian Samuel Kajamini, who wore the Memorial jersey in the name of Giorgio Trolese.



SANVE SPORT 20.26

In 2023, CSM TUBE contributed to financially support the activities of SANVE SPORT 20.26, an amateur sports association from San Vendemiano (TV) that promotes the discipline of ice hockey and aims at a cultural dissemination of this sport, also in view of Italy's hosting of the 2026 Winter Olympics. SANVE SPORT 20.26 is recognised by the C.O.N.I. (National Olympic Committee) and is affiliated with the F.I.S.G. (Italian Ice Sports Federation). It also organises sports activities, such as introductory skating, figure skating and hockey with dedicated courses.

The Association aims to increase the pool of young athletes, involving girls and boys, from the age of four, in approaching "winter sports" and ice hockey in particular.

Magie d'Inverno (Winter Magic)

In order to help financially support the activities of the San Vendemiano community, in 2023 CSM TUBE financed the event "Magie d'Inverno" (Winter Magic), an event encompassing a series of events related to the Christmas period and beyond. The beating heart of "Magie d'Inverno" is a 1,100-square-metre, fully-covered ice rink on real ice. Plenty of space to have fun skating or playing ice hockey. The rink is also equipped with a professional ice-shaving machine that makes the ice surface of the rink perfectly smooth, for an incredible skating experience.



“Free mammogram and ultrasound scan” initiative

CSM TUBE firmly believes in the value of safeguarding people’s well-being and one of the company’s pillars is the promotion of its employees’ health by taking concrete measures to ensure this. This is why, for some years now, the company has been collaborating with the Codognè municipality, with the WelfareCare Benefit Society and with other companies in the area, in order to give 50 women the chance to have **prevention** through free mammograms and ultrasound scans, for age groups for which prevention is not covered by the Italian National Health System.

Through this project, CSM TUBE intends to reaffirm its commitment to improving people’s well-being, both in the workplace and in their daily lives, and to spreading a culture of prevention and personal care.



LILT Treviso and LILT Conegliano

CSM TUBE supports the Lega Italiana per la Lotta contro i Tumori (LILT - Italian League for the Battle against Tumours), a provincial Treviso-based association that operates on a non-profit basis and whose main objective is to spread the culture of oncological prevention.

LILT’s commitment to the fight against cancer is mainly on three fronts:

- Primary prevention (lifestyles and habits);
- Secondary prevention (promoting a culture of early diagnosis);
- Attention to the sick person, his or her family, his or her course of treatment and rehabilitation.

The provincial section has directed its activities in the field of prevention and early diagnosis, with the main focus on psychological assistance to patients and their families, the humanisation of diagnostic and treatment facilities, and the rehabilitation of patients. Widespread activities in the territory are also guaranteed thanks to the six delegations in the province of Treviso. In addition, CSM TUBE supports the LILT Delegation of Conegliano, which works to build a network of solidarity, support, and correct information around the cancer patient.

AED defibrillator

As of 2019, **CSM TUBE has been equipped with an AED defibrillator**. Although it is currently not a device with which companies must be equipped and whose use is mandatory, CSM TUBE decided to equip itself with it in order to assist its workers promptly in case

of cardiac arrest. In these cases, the time of intervention is crucial for survival, and for this reason the company decided to make **the defibrillator available to the local community** by becoming part of a network of automatic defibrillators strategically located in the geographical area where the company is based.



Codognè parish sports field

CSM TUBE sponsored a project to replace LED lights in the Codognè parish sports field, helping to enhance the function of sports as a tool for social cohesion and improving energy efficiency through the installation of new, less energy-consuming LED lights.

Membership of associations

CSM TUBE is a member of the following associations:

Centro INOX - The Italian Stainless Steel Development Association

CSM TUBE is a member of Centro INOX, a non-profit association dedicated to the study and development of stainless steel applications in Italy. The Centro INOX association is represented by the largest stainless steel producers in Italy, involved in the production of sheets, strips, bars, tubes, profiles, etc., and provides, based on its decades of experience, advice with data and technical information on the physical-mechanical characteristics, corrosion resistance properties, processing and installation technologies of stainless steels. Members are also provided with statistical data and market research for various steel products and product sectors. The Association is active in organising specific training courses and webinars.



Confindustria Veneto East

Confindustria Veneto East is a trade association that represents member companies in Eastern Veneto, protects their interests and offers support in relations with public institutions. The association supports and promotes initiatives for the industrial, social, economic, and sustainable development of enterprises in the eastern part of the Veneto region. Through its association with Confindustria Veneto East, CSM TUBE benefits from a strategic network that fosters collaboration, growth, and the sharing of knowledge and best practices among local companies.





CSM TUBE



Environment

Environment

CSM TUBE recognises the centrality of environmental protection as a collective and crucial responsibility to contribute to Sustainable Development, translating this commitment into concrete, daily actions aimed at minimising the environmental impact of its activities. CSM TUBE has been **ISO 14001 certified** since 2013 and the company's **Environmental Policy** is reflected in the following commitments:

1. Operate in accordance with all applicable laws, regulations, and company procedures to ensure compliance with local and international environmental standards;
2. Strive to develop continuous improvement programmes to achieve ever higher environmental standards with regard to:
 - Prevention of pollution and reduction of air emissions;
 - Implementation of processes and actions to promote circular economy, reducing the use of natural resources and promoting the reuse and recycling of materials;
 - Development of new processes aimed at reducing energy consumption, self-generation of energy from renewable

sources, improving the energy efficiency of plants and consequently the energy and environmental sustainability of its activities;

- Reducing the percentage of waste produced in relation to production volumes and increasing the share of waste going to recovery;
- Promoting a corporate culture oriented towards environmental sustainability, empowering all employees and collaborators;
- Monitoring and making progress towards environmental goals transparent,

communicating openly with all stakeholders;

- Collaborating with partners, suppliers and local communities to develop innovative solutions that improve environmental performance;
- Investing in research and development to find new technologies that help improve the environmental impact of processes and protect the environment.

The activities carried out during the year 2023 included the execution of a complete cycle of integrated internal audits, by the HSE office with the collaboration of an external

consultant, regarding the **ISO 14001 and ISO 45001 management system schemes**.

The Company also recognises the **importance of the cultural growth** of its human resources in terms of **environmental protection** and is determined to develop training plans for personnel that promote awareness and the adoption of responsible behaviour. In 2023, CSM TUBE organised several environmental training activities, covering different topics.

In addition, each new employee brought into the company and employed in the production area is provided with specific waste management documentation and dedicated training for the correct sorting, collection and management of waste within the production site.

To date, CSM TUBE **has no pending criminal or civil proceedings** in environmental matters. The competent authorities have never revoked any environmental authorisations or closed the company's facilities. Lastly, CSM TUBE **has never received any type of complaint/report** on environmental issues from the neighbourhood or from customers or suppliers.



During 2023, CSM TUBE took a significant step towards strengthening its environmental governance by formalising an Environmental Organisation Chart. This initiative was undertaken with the aim of enhancing the roles and responsibilities related to environmental management, an issue of increasing relevance to corporate sustainability strategy.

Energy and greenhouse gas emissions



CSM TUBE carries out its activities on two separate sites. The first, operational site represents the most energy-intensive pole. The second site is dedicated to administrative and commercial offices and is characterised by far less consumption than the previous one.

With the aim of improving the energy efficiency of the company's processes, CSM TUBE will, over the two-year period 2025-2026, implement a series of interventions aimed at improving the energy performance of the company's current facilities, starting with mapping and timely monitoring energy consumption thanks to a dedicated system.

The initiatives planned include:

- The search for any gas and compressed air leaks by means of an ultrasound instrument;
- Continuing to replace less efficient refrigeration units with more efficient ones.

Although **monitoring energy** consumption does not lead to a direct reduction in consumption, it does make it possible to identify areas and methods of intervention to improve the energy profile of the production site, primarily through the adoption of operational and procedural measures to promote a more rational use of energy.

Then, based on the data collected, it will be possible to plan energy efficiency measures, approaching investments in a considered manner, and pursuing the maximisation of environmental and economic benefits. By integrating meters into a supervisory system, it will also be possible to monitor the consumption and performance of machinery and each department, relating energy consumption data to production data, in order to create dedicated indicators. The production of steel tubes requires considerable consumption of electricity.



Among the actions undertaken by the Company during 2023 and aimed at reducing the impacts related to greenhouse gas emissions, it is worth mentioning that a second photovoltaic system with a capacity of 605.1 kWp was installed, in addition to the existing one with a capacity of 16.5 kWp. In addition to reducing greenhouse gas (GHG) emissions into the atmosphere, the objective of this action was to reduce the dependency on electricity purchased from third parties.

Construction of this plant started in 2023 and will be completed during 2024. Total self-generation of electricity is estimated at around 650 MWh per year distributed over an area of 2750 sq.m.

As a result of this new installation, **electricity savings of 10% are expected.**

With regard to **mapping energy consumption** within the company, it should be noted that self-generated electricity and electricity purchased from the grid is mainly used for:

- Workplace lighting;
- The power supply of machines and production equipment;

- The power supply of electronic office devices;
- The power supply of heating (in the logistics and laboratory area), air conditioning and air treatment units.

There are two transformers in the transformer room. No PCB mixtures are used as cooling is by air and therefore does not take place with dielectrics containing pollutants.

Methane gas is used by CSM TUBE for heating the workplaces (offices and production department start-up) and for the production of domestic hot water and is therefore strongly influenced by seasonality.

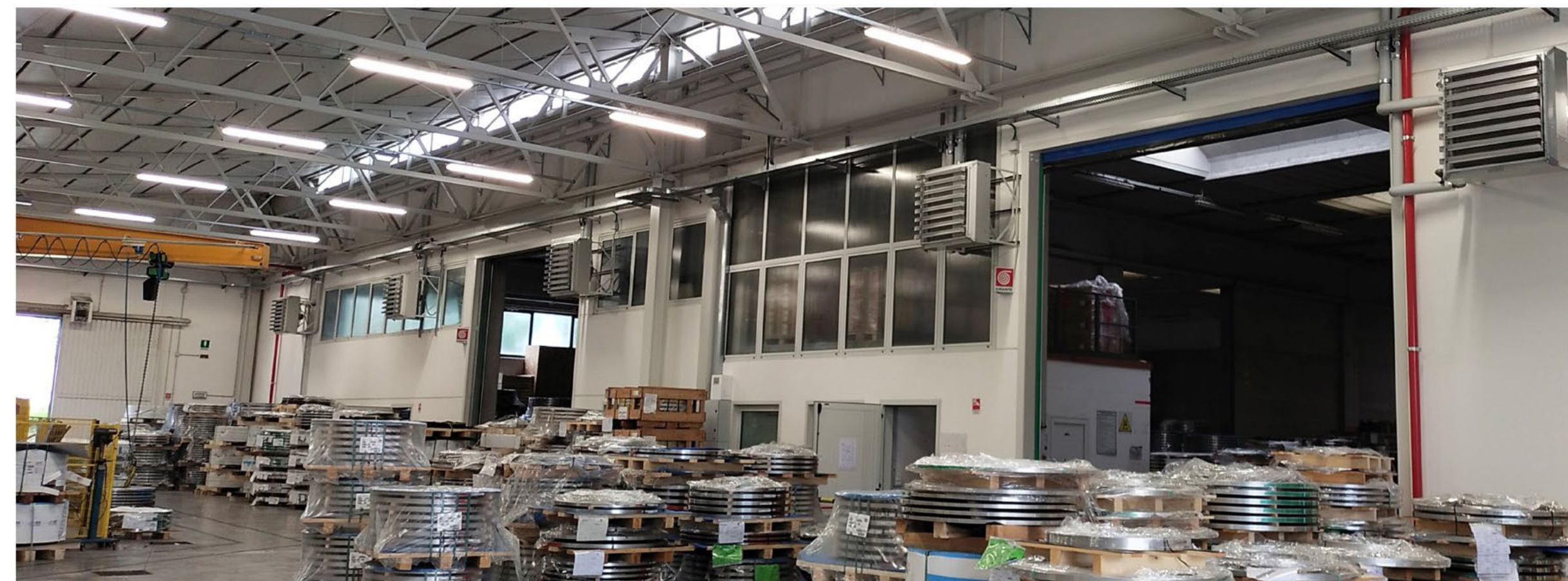
Among the **other actions undertaken** by the Company and aimed at **energy efficiency**, it is worth mentioning that a lighting system with **LED lighting** points has been installed in the production area to replace traditional neon lamps, thus improving the lighting of the working areas.

With a view to improving the energy efficiency of the plants, it is also important to emphasise the **installation of 11 unit heaters** to heat the profile production department, using the hot cooling air from the refrigeration unit. This,

together with the increased flow rate of the pipes, has resulted in significant energy savings. In addition, the heat produced by the new refrigeration unit is recovered through heat exchangers that transfer the hot water inside the plant, while the use of fan coils further contributes to reducing the consumption of methane for heating, greatly improving the distribution of heat within the plant.



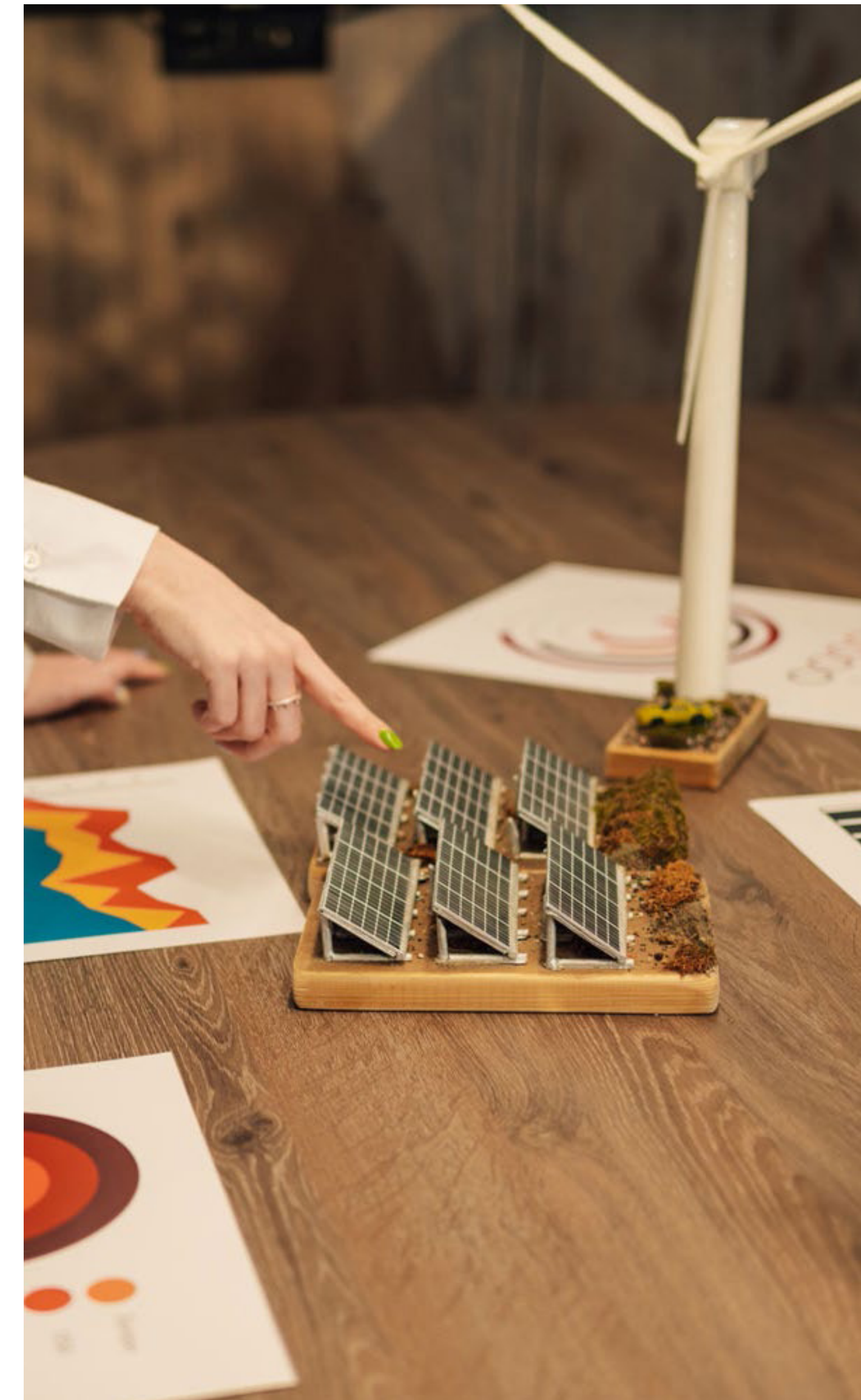
In addition, a new, more energy-efficient refrigeration unit was installed in 2022, with a 25-30% higher coefficient of performance (COP) than the previous system.



The year 2023 was characterised by a total energy consumption of 17,448 GJ taking into account the contribution of electricity (from the grid and photovoltaics), methane gas and LPG (for heating the Via Cadore Mare premises), diesel and petrol (to power the company-owned vehicles). It should be noted that LPG is used only for space heating and contributes about 0.8% of the Organisation's energy consumption. The table below shows the company's energy consumption figures for the three-year period 2021-2023.

GRI 302-1: Energy consumption within the organisation

Type of consumption	m.u.	2021	2022	2023	Δ% 2023 vs 2022
FUELS					
Natural gas*		471.0	342.6	395.4	+15.4%
OF WHICH:					
For heating	GJ	471.0	342.6	395.4	+15.4%
LPG*		241.2	107.8	151.2	+40.3%
OF WHICH:					
For heating	GJ	241.2	107.8	151.2	+40.3%
Diesel*		319.5	341.6	379.9	+11.2%
OF WHICH:					
For company cars	GJ	319.5	341.6	379.9	+11.2%
Petrol*		30.7	40.0	37.9	-5.3%
OF WHICH:					
For company cars	GJ	30.7	40.0	37.9	-5.3%
TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE ENERGY SOURCES	GJ	1,062.4	832.0	964.4	+15.9%
TOTAL FUEL CONSUMPTION FROM RENEWABLE ENERGY SOURCES	GJ	-	-	-	-
ELECTRICITY					
Electricity		19,148.6	20,144.0	16,483.8	-18.2%
OF WHICH:					
Purchased from the grid	GJ	19,148.6	20,103.3	16,444.9	-18.2%
Self-generated and self-consumed		-	40.7	38.9	-4.4%
Electricity self-generated and sold	GJ	-	16.5	23.7	+43.2%
TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION					
TOTAL		20,210.9	20,976.1	17,448.1	-16.8%
OF WHICH:					
Renewable	GJ	-	40.7	38.9	-4.4%
Non-renewable		20,210.9	20,935.4	17,409.2	-16.8%



*Source conversion factors used for fuels: Defra UK GHG conversion factors. Fuels were converted to kWh using conversion factors based on their Gross CV and then converted to GJ.

The increase in natural gas consumption of 15.4% in 2023 compared to 2022 is attributable to the decommissioning of a compressor in the cutting department, which was replaced by a larger, higher-performance compressor installed in the profile department, sized to serve the cutting department as well. However, this action led to an increase in natural gas consumption in the latter department due to the increased use of the boiler for heating in the winter period.

The lower electricity consumption in 2023 compared to previous years is related to the lower production volume, in terms of tonnes of material produced. Overall, **energy consumption in 2023 decreased by 16.8% compared to 2022.**

The following table shows the breakdown, in percentage terms, of the Organisation's energy consumption in GJ, broken down into electricity purchased from the grid and self-generated, natural gas and LPG (used for heating) and the diesel and petrol fuels used to power company vehicles. Over the three-year period under review, electricity accounted for an average of 95% of the Organisation's energy consumption.

Below are the energy intensity indices of CSM TUBE for the three-year period 2021-2023. The total energy expressed in GJ was related to turnover, hours worked, metres and tonnes of product. As can be seen, all indices show an increase in 2023 compared to 2022, with the exception of the ratio of energy consumed within the organisation to hours worked, which shows a decrease of 11.6%.

In detail, it should be noted that the ratio of energy consumed to tonnes and metres of product is influenced by the production mix and the type of tube produced (producing a non-annealed tube consumes on average one-fifth as much as an annealed tube). In 2023, there was an increase in energy consumption (per tonne of product and per metre produced), influenced by the new production mix (with 77% of annealed tube in 2023 compared to 72% in 2022).

The increase in kg of annealed tubes produced in 2023 has led to an increase in the energy consumption used to anneal this product surplus.

The increase in energy consumption was also driven by the implementation of faster production processes, such as the introduction of laser welding, a more energy-intensive process on average. Lastly, the increase in the energy intensity index with respect to turnover was due to the higher impact of the price of raw materials in 2023 compared to 2022.

The Company continues to be acutely aware of the energy aspect, conscious that a significant part of consumption is attributable to annealing ovens.

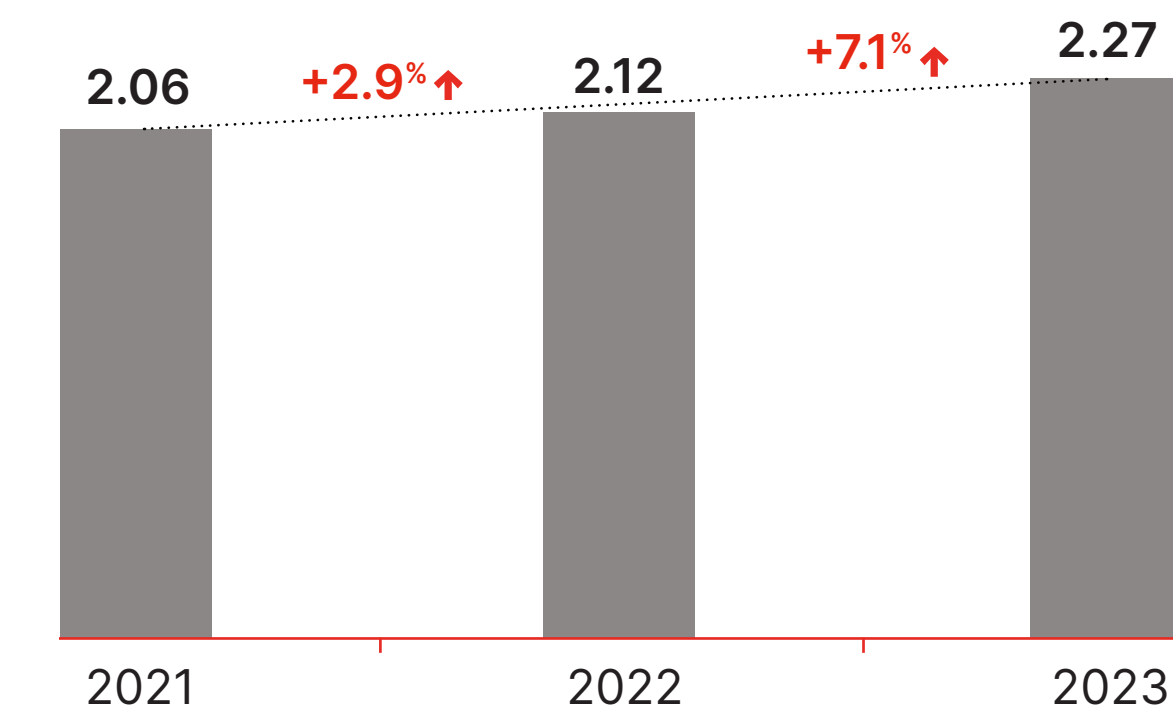
Breakdown of internal energy consumption

Type of consumption	2021	2022	2023	Δ% 2023 vs 2022
Electricity	94.7%	96.0%	94.5%	-1.5%
LPG (HEATING)	1.2%	0.5%	0.8%	+0.3%
Natural Gas (HEATING)	2.3%	1.7%	2.3%	+0.6%
Diesel (VEHICLES)	1.6%	1.6%	2.2%	+0.6%
Petrol (VEHICLES)	0.2%	0.2%	0.2%	-
TOTAL	100%	100%	100%	

Energy intensity indices

Indicator description	m.u.	2021	2022	2023	Δ% 2023 vs 2022
Ratio of total internally consumed energy to tonnes of product (as per the graph opposite)	GJ / t	2.06	2.12	2.27	+7.1%
Ratio of total energy consumed internally to metres of product	(GJ / m) *1000	0.37	0.38	0.43	+11.7%
Ratio of total energy consumed internally to hours worked	GJ / hours	0.09	0.09	0.08	-11.6%
Ratio of total internally consumed energy to turnover	GJ /Million €	330.76	229.98	278.41	+21.1%

Ratio of total internally consumed energy to tonnes of product



Greenhouse gas emissions



The first calculation of the company's carbon footprint, i.e. the total amount of greenhouse gas (GHG) emissions from the company's activities, including direct and indirect emissions, for the years 2021, 2022 and 2023, was performed in 2023.

CSM TUBE, as a production company, recognises its role and responsibility towards combating climate change, and is committed to monitoring and mitigating its CO₂ emissions, including through **the self-generation of electricity from renewable sources** and the aforementioned actions aimed at energy efficiency.

To ensure transparency and traceability of emissions, CSM TUBE monitors the CO₂ emissions generated by its activities in order to assess the environmental impact generated and to identify areas for action with a view to reduction.

For the correct understanding and interpretation of corporate emissions, it is specified that the GHG Protocol Corporate Standard classifies greenhouse gas emissions associated with a company's Corporate Carbon Footprint (CCF) as Scope 1, Scope 2 and Scope 3 emissions. CSM TUBE has calculated only Scope 1 and Scope 2 emissions.

Scope 1 emissions include **direct emissions** from sources owned or directly controlled by the Company. This includes on-site energy (such as natural gas and heating fuels), refrigerants and emissions from boiler combustion, as well as emissions from fleet vehicles.

Scope 2 emissions, on the other hand, include **indirect emissions** from acquired or purchased energy, such as electricity, steam, heat or cooling, generated off-site.



Furthermore, for the calculation of Scope 2 emissions, the GRI Standards envisage two different calculation methodologies:

- **Market Based**, which requires determining the CO₂ emissions resulting from the contractual purchase of electricity and heat on the basis of specific emission factors, associated with the type of electricity, communicated directly by the suppliers. In the event that 100% of the electricity consumed by an organisation comes from

renewable sources, because it is purchased and certified as renewable (e.g. through Guarantee of Origin - GO certification) and/or because it is self-generated e.g. through photovoltaic panels, Scope 2 Market Based emissions are considered zero;

- **Location Based**, which reflects the average greenhouse gas emission intensity of the electricity grids where the energy is consumed, mainly using the data on the average emission factor in relation to the grid. Thus, this methodology involves accounting for emissions from electricity consumption for well-defined geographical boundaries by applying average emission factors relative to the national energy mix for the different countries in which an organisation purchases electricity. The higher the share of renewable energy used by a specific country, the lower its emission factor.

In this sustainability report, total GHG emissions are expressed in tonnes of CO₂ equivalent, using the conversion factors given in the “Methodological Note” section.

The table on CO₂ emissions for the three-year period 2021-2023 shows that direct emissions (Scope 1) increased by 15.7% in 2023 compared to 2022. This increase is attributable to the aforementioned increase in the use of natural gas and LPG for heating. In contrast, indirect emissions (Scope 2), calculated using both Market Based and Location Based calculation methods, decreased by approximately 17% over the same reporting period.

As previously mentioned, the actions undertaken by the Company in 2023 and aimed at reducing impacts related to GHG emissions include the installation of a new 605.1 kWp photovoltaic system, in addition to the existing 16.5 kWp photovoltaic system.

It is estimated that the installation of the new photovoltaic system will, on an absolute basis, lead to a reduction in CO₂ emissions of about 10%.

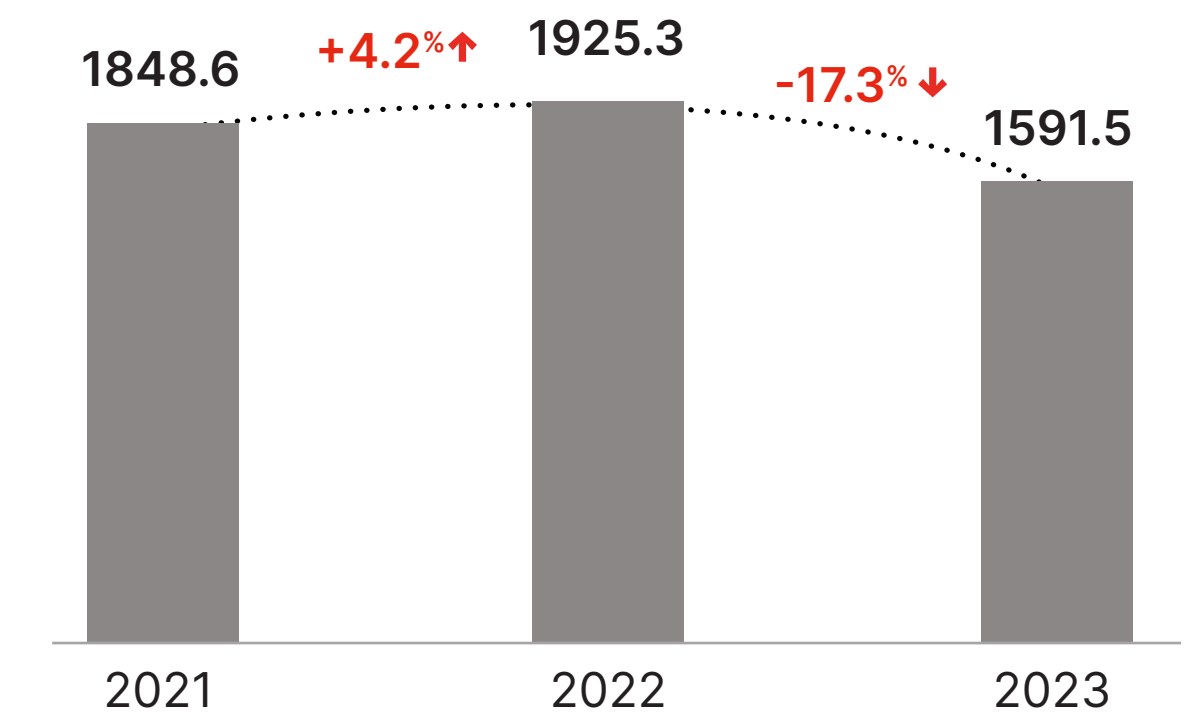
Scope 1 and Scope 2 calculation

Description	m.u.	2021	2022	2023	Δ% 2023 vs 2022
Scope 2 location based	tCO ₂ e	1,787.2	1,876.3	1,534.9	-18.2%
Scope 2 market based	tCO ₂ e	2,431.3	2,552.6	2,088.0	-18.2%
Scope 1	tCO ₂ e	61.4	49.0	56.6	+15.7%
TOTAL Scope 1 and Scope 2 location based (as per graph below)	tCO ₂ e	1,848.6	1,925.3	1,591.5	-17.3%
TOTAL Scope 1 and Scope 2 market based	tCO ₂ e	2,492.7	2,601.5	2,144.7	-17.6%

Emission intensity indices

Indicator description	m.u.	2021	2022	2023	Δ% 2023 vs 2022
Emission intensity location based on metres of product	tCO ₂ e/ Millions of m	33.7	35.3	39.2	+11.0%
Emission intensity location based on tonnes of product	tCO ₂ e/t	0.1	0.1	0.2	+6.5%
Emission intensity location based on turnover	tCO ₂ e / Million €	30.3	21.1	25.4	+20.3%

Total Scope 1 and Scope 2 location based



The table “Emission intensity indices” shows some CO₂ emission intensity indices. Specifically, the CO₂ emissions for Scope 1 and Scope 2 are shown in relation to turnover (in million Euros), metres and tonnes of product produced in the three-year period 2021-2023.

An analysis of the emission intensity indicators shows an increase in all the indices considered, consistent with the increase in the same indices referring to energy intensity. It should be noted that emission intensity indices do not include other indirect emissions (Scope 3).

Circular Economy



Circular economy promotes economically and environmentally sustainable business models and focuses on the design of products and systems that extend the useful life of products and encourage their recycling.

This includes steel, a material that is potentially infinitely recyclable and which, unlike many other materials that are simply recyclable, can be remelted over and over again without losing any of its intrinsic characteristics and properties. Every new stainless steel product (whether in the form of a steel product or a finished product), although made up of an average of **60% recycled material** (part of which comes from processing waste and part from products that have reached the end of their life cycle) remains of exactly the same quality as a “new” product. This is a substantial difference from other products, such as paper or plastic products, which “lose” certain quality characteristics when made from recycled materials. When stainless steel products reach the end of their useful life, they are largely collected and recycled.



The virtuous recycling of stainless steel is one of the clearest examples on an industrial level of how the two main strategic objectives that the EU has set itself for the coming decades can be combined: circular economy and decarbonisation.

In this context, CSM TUBE started a monitoring campaign of its suppliers to find out information about the percentage of recycled material contained in the products purchased. In 2023, only one steel supplier formally communicated to CSM TUBE the percentage of recycled material in the supplied products; it stands at about 83% recycled material.

The company’s goal for 2024 will be to further explore these aspects with other suppliers in order to gather more information. The table below provides an analysis of the main materials purchased by the company and used for the production and packaging of its products in 2023. Materials are divided into renewable and non-renewable*.

GRI 301-1 materials used by weight

PURCHASED MATERIAL	Unit of measurement	2023	Material type*
Tube steel	t	8,133.4	Non-renewable
Ink	t	0	Non-renewable
Solvent	t	0.7	Non-renewable
Cardboard packaging	t	71.1	Renewable
Wood packaging	t	870.4	Renewable
Nylon roll	t	9.7	Non-renewable
PET straps	t	3.4	Non-renewable

Note: *For the type of material, please refer to GRI 301 (Materials 2016) and the Organisation for Economic Co-operation and Development (OECD) report, Resource Productivity in the G8 and the OECD - A report in the Framework of the Kobe 3R Action Plan, <http://www.oecd.org/env/waste/47944428.pdf>

Table GRI 301-2 shows, for the reporting year 2023, the percentage of recycled materials used out of the total materials purchased. The material in question (steel strip purchased from a supplier) contains about 83% recycled material and represents 26.8% of the recycled materials used by the Company. As mentioned above, this analysis was based on the formal documentation received from suppliers.

Potentially, the percentage of recycled material could be higher, since a significant amount of ferrous scrap is always used for steel production.

As part of circular economy, CSM TUBE has initiated a project with four customers and two suppliers to **reclaim wood packaging**. In particular, CSM TUBE sends the product packed in wooden crates to the customer; the crates are returned to CSM TUBE during the next material shipment. Once the material is received, its condition and integrity is assessed and, if reusable, it is reused as transport packaging for further products.

This is possible thanks to partnerships with some customers.

Table GRI 301-3 shows the percentage of packaging materials (wood) divided between crates and pallets reclaimed during the reporting years 2022 and 2023. These initiatives have led to a significant reduction in the amount of wood waste disposed of by the company.

CSM TUBE has also initiated internal projects aimed at optimising transport packaging, with the objective of reducing the amount of wood used for transporting steel tubes.

During 2022, **2 new compactors** were purchased to be dedicated exclusively to the collection of plastic in steel strip packaging, polyethylene and polypropylene respectively. This action resulted in:

- More compact and fewer plastic bales with optimised transport for collection;
- Better use of waste;
- More order and cleanliness in the production department with loose waste stored directly inside the respective compactor.

GRI 301-2 Recycled input materials

Description	2023
Purchased recycled materials out of total	26.8%

GRI 301-3 Reclaimed products and their packaging materials

Description	2022	2023
Reclaimed wooden crates	6.1%	11.3%
Reclaimed wooden pallets	45.7%	56.8%



Emission of toxic substances and waste generation



The main waste generated by the Company in 2023 in terms of quantity includes steel scrap, wood packaging, aqueous liquid waste, paper and cardboard packaging, plastic packaging, sandpaper, discarded equipment, and processing sludge.

The largest share of the waste generated is tube production waste, which is then sent for recovery. Substances classified as hazardous, which are present on the company's premises, are stored under cover and provided with appropriate collection basins. The bales of paper and plastic are stored inside a special container to prevent leaching. All outdoor areas are kept clean and tidy with periodic cleaning operations that are recorded on a special checklist.

Waste similar to municipal waste includes the dry fraction (plastic, paper and other household waste) generated by activities in the offices and the wet fraction collected in break and refreshment areas. This waste is deposited in special bins provided by the municipal administration for separate collection.

All waste generated by the company is managed by third parties.

Proper waste management is a priority for the Company, which is actively engaged in monitoring and managing the areas designated for temporary external storage. For this purpose, specific training sessions are organised for the personnel in charge of the proper management of the storage areas. These training sessions are complemented with regular field audits, awareness-raising during regular QSA meetings and information posted on the digital notice boards. In 2023, the external areas for temporary waste storage were revised to implement a new layout, in order to further optimise the management and flow of waste and improve the associated internal logistics.

In addition, specific training has been provided and will continue to be organised for the year 2024 to ensure that these areas are kept clean and tidy. Furthermore, specialised training was organised with an external consultant expert in ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) regulations, focusing on the regulatory

aspects of the transport of dangerous goods and the implications of this regulation within the organisation.

During the two-year period 2021-2022, 100% of hazardous waste was sent for recovery, with a similar amount of hazardous waste between the two years: 0.4 tonnes.

In 2023, on the other hand, there was an increase of almost 2 tonnes of hazardous waste, attributable to a new production line with laser welding technology, which led to

the generation of two new wastes classified as hazardous.

Then there are the emulsions deriving from the discharge of condensation water from the compressors, for which a double-chamber collection basin has been set up, by means of a special underground tank located outside the plant and equipped with a system for detecting any leaks and spills, which makes any leakage immediately identifiable by means of a light tower.



Spent oils result from maintenance or decommissioning of hydraulic power units serving production lines. In 2023, there was a significant presence of waste oil, mainly due to the use of a new hydraulic device for destructive testing of electro-welded pipes, which uses hydraulic oil as a fluid. After each test, the oil used in the tube test chamber is pumped into a dedicated tank and managed as waste oil.

In this respect, an internal process for collecting and filtering used oil has been initiated for the year 2024, which will make it possible to reuse the oil for topping up hydraulic power units.

The tube cutting and end finishing lines do not cause emissions and do not use lubricants.

In 2024, following the installation of the new laser line, a post-aspiration fume analysis will be carried out.

This will imply the periodic replacement of the filters of the aspiration system with respect to which the company, through the collaboration with a qualified external partner, intends to implement initiatives in order to reuse, where possible, the filters through a process of their regeneration and re-commissioning.

GRI 301-2 Recycled input materials

TYPE OF WASTE	m.u.	2021	2022	2023	Δ% 2023 vs 2022
TOTAL NON-HAZARDOUS WASTE	t	1,043.9	1,041.0	907.5	-12.8%
of which for recovery	t	994.1	1,000.3	868.0	-13.2%
of which for disposal	t	49.8	40.7	39.5	-2.9%
TOTAL HAZARDOUS WASTE	t	0.4	0.4	2.2	+450.0%
of which for recovery	t	0.4	0.4	1.0	+150.0%
of which for disposal	t	0.0	0.0	1.2	+100.0%
TOTAL WASTE	t	1,044.3	1,041.4	909.7	-12.6%

KPI Waste

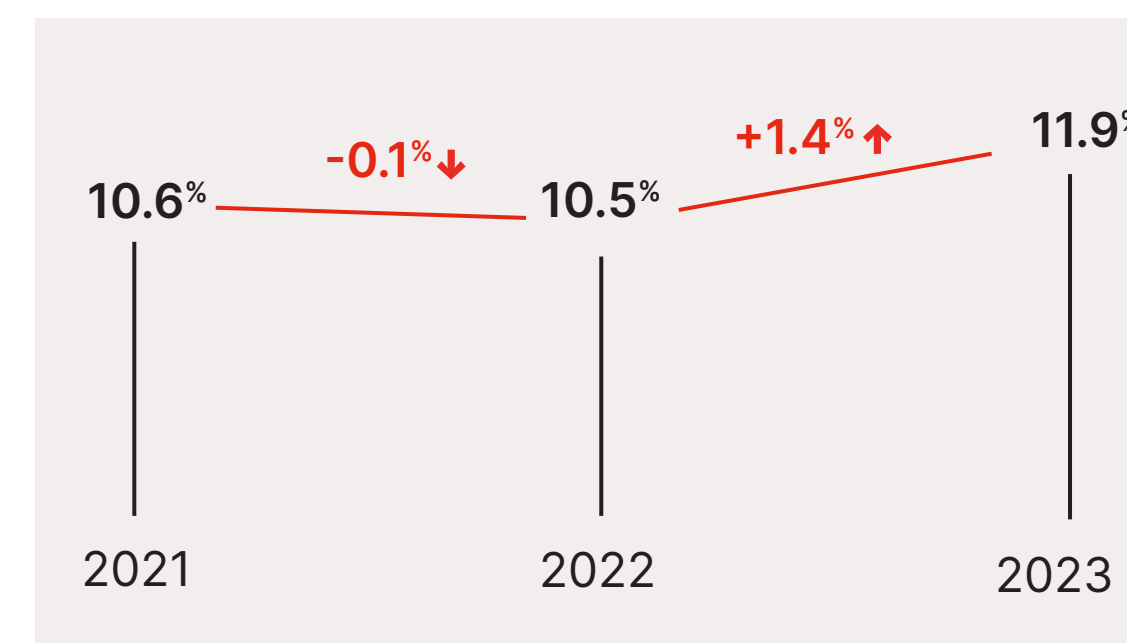
DESCRIPTION	2021	2022	2023
Percentage of waste for recovery out of total waste generated	95.2%	96.1%	95.5%
Percentage of hazardous waste in total waste generated	0.04%	0.04%	0.24%
Tonnes of total waste generated as a ration of tonnes of product (%) (as per graph below)	10.6%	10.5%	11.9%

The table opposite shows the classification of waste generated by the company over the three-year period 2021-2023. Overall, the total waste generated in 2023 decreased by 12.6% compared to the previous year.

The analysis of the waste-related key performance indicators (KPIs) in the table below firstly reveals that the percentage of waste for recovery remains constant over the three-year period 2021-2023 with an average value of 95.6%.

Secondly, it can be seen that the percentage of hazardous waste in the total waste generated in 2023 stands at 0.24% of the total. A further reported KPI is the amount of total waste generated in relation to tonnes of product.

Total waste in tonnes as a ratio of tonnes of product



The chemicals used in the production process are inks and marking solvents. Regarding the regulation of and regulatory framework on chemicals, CSM TUBE declares compliance with the **RoHS** Directive which restricts the use of lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr6+), polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE) in the manufacture of some of the electrical and electronic equipment sold in the European Union. CSM TUBE is a downstream user of chemicals and does not supply substances or mixtures. With regard to the application of the incoming REACH Regulation, the Company has ensured that its raw material suppliers have correctly registered the substances, depending on whether they are imported substances, hazardous substances and/or exceed the annual tonnage required.

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a European Union Regulation that aims to improve the protection of human health and the environment from the use of chemicals identified as hazardous.

As far as the purchase of strips is concerned, since they are cold rolled with the final annealing step in a protected atmosphere, they do not fall under the REACH Regulation. According to information retrieved from ink and solvent suppliers, no SVHC substances are present in products purchased by CSM TUBE.

With regard to the Safe Drinking Water and Toxic Enforcement Act of 1986 (better known as California Proposition 65), after in-depth analysis with Centro Inox, it was found that this Regulation does not apply to the Company.

CSM TUBE has been performing global and specific migration tests by taking samples of its own tubes since 2022. These tests are carried out in accordance with (It.) Ministerial Decree of 21/03/1973 and subsequent updates on the hygienic regulation of packaging, containers, utensils intended to come into contact with foodstuffs. Migration tests are conducted with reference to the following metals: chromium, manganese, and nickel. All laboratory tests carried out so far by CSM TUBE have yielded compliant results.



Management of water resources



CSM TUBE recognises the importance of responsible water management as an integral part of its corporate sustainability strategy. In this context, the Company is committed to reporting on its interactions with water, including how it is abstracted, as well as the related impacts caused directly by its activities. The water resource at the Company is abstracted from third parties (municipal aqueduct) and is used for:

- Toilets;
- Cooling system water reintegration;
- Production of demineralised water by reverse osmosis;
- Coil testing process;
- Supply of the fire-fighting network;
- Room heating water reintegration.

There is a recirculation tank at the production site for water used to cool the production lines. With regard to water abstraction, there is an increase of about 6% in 2023 compared to the previous year.

This can be traced back:

- To the emptying and subsequent filling of the two water tanks;
- To an increased water reintegration in the profile cooling system;
- To the installation of free water coolers in March 2023.

In the course of 2024, water meters will be installed in the processes and at the most significant points of the plant.

As far as water discharges are concerned, they are represented by:

- Waste water of a domestic nature that is fed into the sewerage system;
- Rainwater from rainwater downpipes and forecourts that is conveyed into the white water network;
- Coil test waters;
- Waste water from the production of demineralised water from the reverse osmosis plant.

The last two items (test water and waste water from the reverse osmosis plant) constitute an authorised industrial discharge subject to annual monitoring.

The table below shows CSM TUBE's water abstraction expressed in megalitres for the three-year period 2021-2023.

Water abstraction (ML)

Origin and quality of water withdrawn	2021		2022		2023		Δ% water withdrawal 2023 vs 2022
	From all areas	From water-stressed areas	From all areas	From water-stressed areas	From all areas	From water-stressed areas	
THIRD-PARTY WATER	2.12	-	1.90	-	2.02	-	
Drinking water (≤1,000 mg/L total dissolved solid particles)	2.12	-	1.90	-	2.02	-	
Other water (>1,000 mg/L total dissolved solid particles)	-	-	-	-	-	-	
TOTAL THIRD-PARTY WATER ABSTRACTION BY ABSTRACTION SOURCE							
Surface water	2.12	-	1.90	-	2.02	-	+6.3%
TOTAL WATER ABSTRACTION	2.12	-	1.90	-	2.02	-	

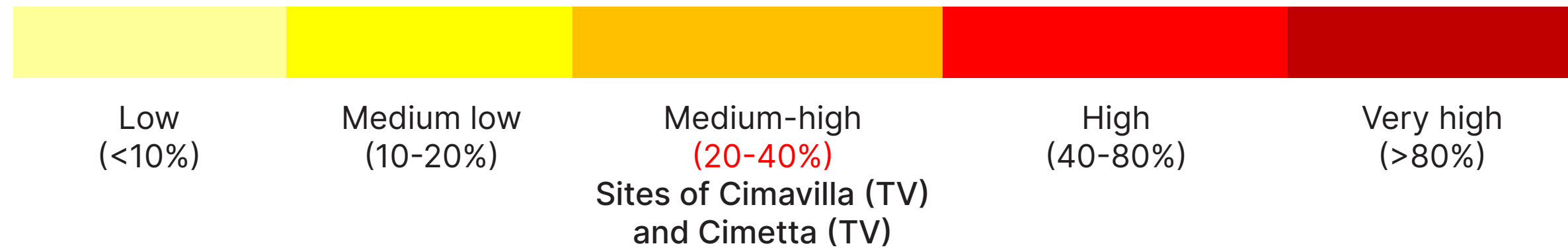
In order to assess its impact in water-stressed and water-sensitive areas, CSM TUBE used the World Resources Institute's Aqueduct Water Risk Atlas tool. The analysis showed that the geographical area in which the Cimavilla (TV) and Cimetta (TV) plants are located is characterised by a medium-

high level of water stress (20-40%) and that the reference basin is the Tagliamento River. It was decided to consider "High" and "Very High" water stress areas. For this reason, the area where CSM TUBE's factories are located was not considered water-stressed.

The graph "Water abstraction" shows the breakdown of water abstraction in the three-year period 2021- 2023 at the two company locations, Cimavilla and Cimetta. The Cimavilla plant is responsible for an average of about 97% of the Organisation's total water abstraction over the three-year period.

The table below shows the ratio of the Organisation's water abstraction to the number of company employees. The index is almost constant with an average value of 0.018 over the three-year reporting period considered.

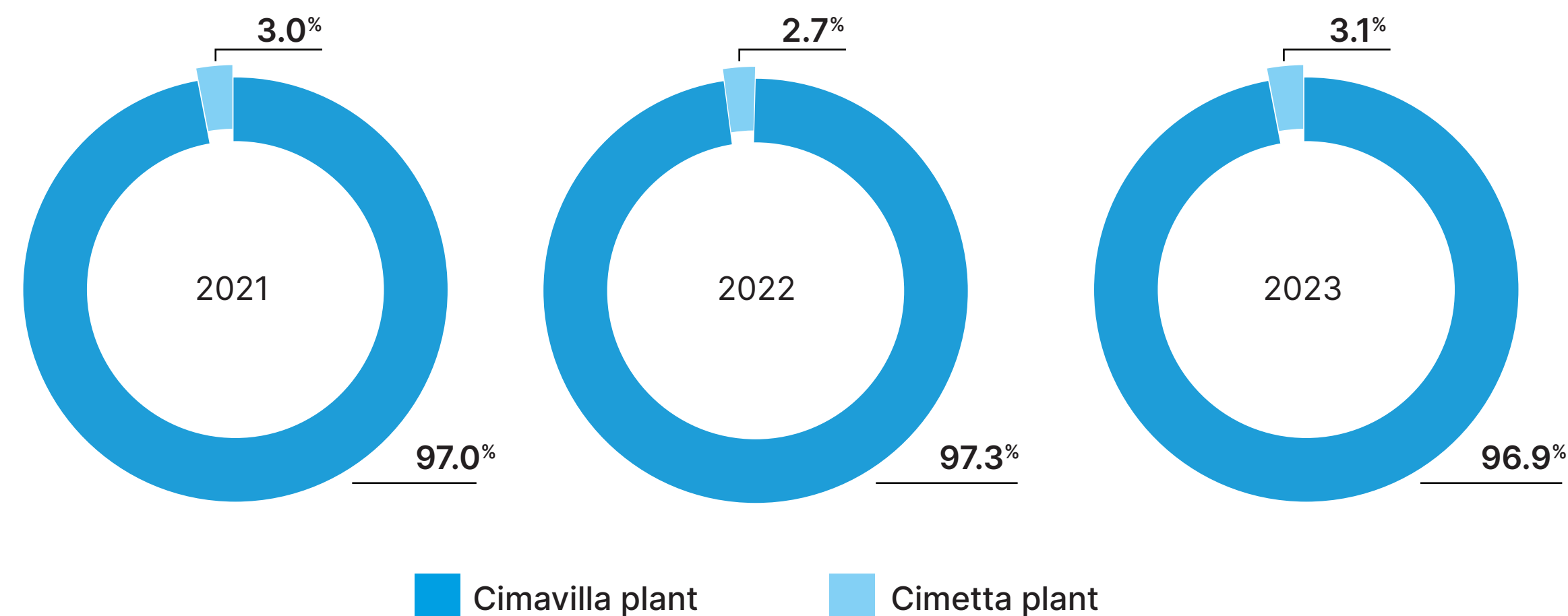
Water stress level



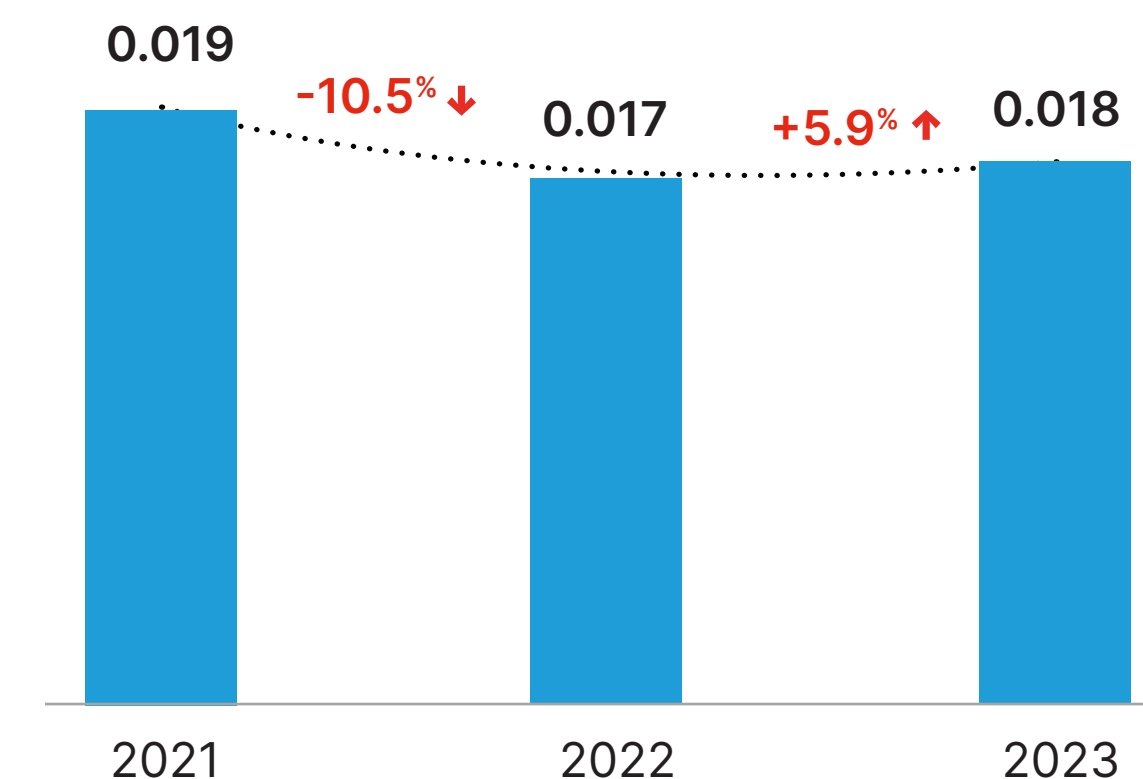
KPI water abstraction

KPI	m.u.	2021	2022	2023	Δ% 2023 vs 2022
Ratio of total water abstraction to number of employees	ML/no. of employees	0.019	0.017	0.018	+5.9%

Water abstraction



Ratio of water abstraction to number of employees



Impact on Biodiversity and land use



The steel production sector is highly dependent on several ecosystem services, including water availability, climate regulation, soil stabilisation, and erosion control. These services are essential for maintaining production processes and mitigating the environmental impacts.

Steel production is associated with several environmental impacts. Energy-intensive production processes contribute to global greenhouse gas (GHG) emissions. Production processes also generate large volumes of solid waste, including non-product waste, such as glass, metal, plastic, paper, cardboard, and wood. Large production facilities are often associated with excessive noise and air pollution, as well as potential negative impacts on the land and biodiversity.

CSM TUBE is committed to assessing the risk to biodiversity from business operations and activities in its supply chain that are considered to have the highest impact.

In particular, the distance of CSM TUBE and steel strip and coil supplier companies from

protected areas and other biodiversity-relevant areas was mapped. The analysis was conducted using the IBAT¹ tool, considering UNESCO and Natura 2000² nature sites, Key Biodiversity Areas (KBA)³ and nationally designated Protected Areas as areas of interest.

Locations were considered “overlapping” when they are located, even partially, within one of these areas or “adjacent” when they are less than 2 km away from them.

However, the headquarters of CSM TUBE and five other supplier companies are adjacent to

sites belonging to the Natura 2000 network. In addition, four suppliers are located near National Protected Areas and two near KBAs.

The proximity of Protected Areas, Natura 2000 areas and KBAs to production sites highlights the importance of implementing stringent conservation strategies to minimise the environmental impacts and protect biodiversity in these particularly sensitive areas.



The analysis showed that none of the CSM TUBE suppliers' locations overlap with protected areas or key biodiversity areas.

1. Free online tool providing authoritative geographical information on global biodiversity (<https://ibat-alliance.org>)
2. A European network of sites protected under the European Habitats and Birds Directives, with the aim of protecting Europe's most valuable and threatened habitats and species.
3. “Sites that contribute significantly to the global persistence of biodiversity”, in terrestrial, freshwater and marine ecosystems. Sites qualify as global KBAs if they meet one or more of eleven criteria, grouped into five categories: threatened biodiversity; geographically restricted biodiversity; ecological integrity; biological processes; and irreplaceability.



The results of this analysis are shown in the table below. For the suppliers taken into account in the analysis, the countries in which the company’s headquarters are located are indicated. Suppliers are listed in descending order of supply expenditure in the fiscal year 2023. Each supplier, in addition to indicating the country where it is located, is associated with a number in order to identify it in relation to its company name.

The table opposite presents the results of the analysis conducted on the global IUCN Red List database. It gives an overview of the conservation status of the species in the areas where CSM TUBE and its strip and coil suppliers are located, always ordered by decreasing percentage of supply expenditure. This analysis aims to identify the places where the activities could threaten endangered species.

Number of protected areas and KBAs overlapping or adjacent to CSM TUBE and strip and coil supplier sites

	Overlapping with operational sites	Adjacent to operational sites (< 2 km)	Sites
UNESCO World Heritage Natural Sites (WHS)	0	0	-
Natura 2000	0	6	CSM TUBE (Codognè). Suppliers: Germany 1, Germany 2, France 1, Italy 3, Finland 1
National Protected Areas	0	4	Suppliers: Germany 2, Japan 1, Italy 3, Finland 1
KBA	0	2	Suppliers: Japan 1, Finland 1

Number of IUCN Red Listed species that find their habitat in areas of activity ^(a), by level of extinction risk

Sites	Critically endangered	Endangered	Vulnerable	Near threatened	Least concern
Codognè (TV)	4	14	48	63	888
Supplier Italy 1	4	14	39	57	788
Supplier Germany 1	5	15	44	44	726
Supplier Germany 2	5	11	44	34	674
Supplier Italy 2	5	19	34	60	737
Supplier Japan 1	10	41	84	116	1,517
Supplier France 1	3	6	36	50	708
Supplier Italy 3	19	32	70	82	1,124
Supplier Finland 1	1	3	29	21	411

^(a) Within a radius of 25 km from the company premises

Sustainable Development Goals and SDG Action Manager

Introduction

Transparency in business conduct will continue to be a crucial element. Businesses play a key role in promoting the Sustainable Development Goals (SDGs), which encourage transparency and corporate responsibility. Endorsed by all 193 UN member states in 2015, the 2030 Agenda focuses global attention on 17 priority goals to address the major challenges of our time.

The private sector is instrumental in proposing innovative solutions that can help solve these problems while generating new business opportunities. By identifying and mitigating risks to people and the environment, and by developing new products and services in line with sustainable development, companies can benefit both directly and indirectly by contributing to the sustainability of the markets on which they depend.

The SDGs are also becoming increasingly relevant for investors, as they represent a summary of the most pressing global environmental, social, and economic issues. Consequently, they serve as an essential

guide for ESG (environmental, social, and governance) criteria that must be considered as part of the fiduciary duty of investors.

During 2023, CSM TUBE used the SDG Action Manager tool to measure its impacts and assess the Company's contribution to the Sustainable Development Goals. This assessment involved the CSM TUBE corporate team and made it possible to identify some areas for improvement.

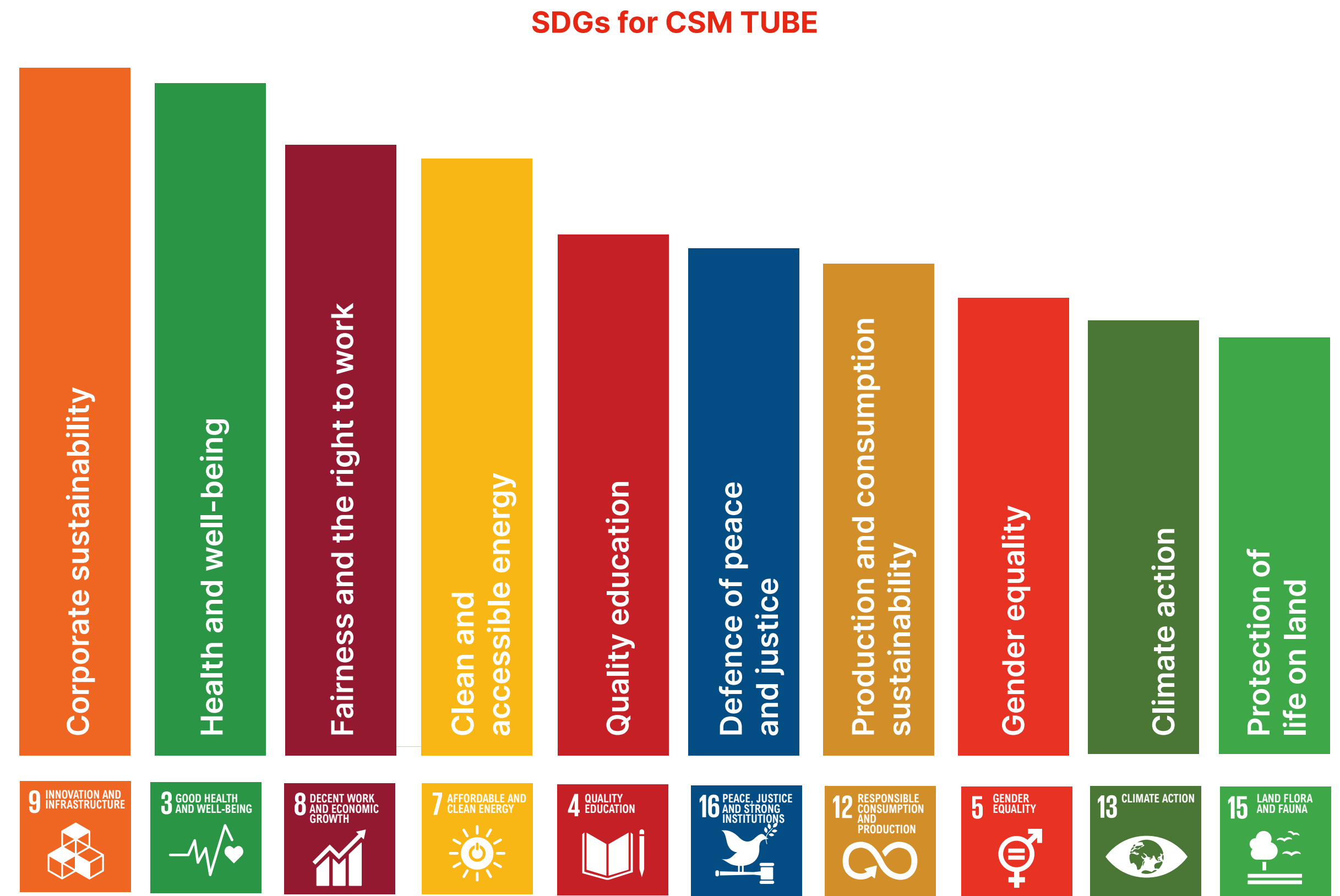


Path steps

The path of measuring company performance against the SDGs, through the international SDG Action Manager tool, consisted of the following steps:

- Knowing and understanding the SDGs;
- Prioritising impacts to identify corporate SDGs relevant to the company's business;
- Measuring the impacts through the Basic Form, to get an overall assessment of the company's performance with respect to humanrights,labourpractices,environmental management and governance;
- Measuring the detailed contribution to each SDG considered as relevant.
- Identifying priority SDGs

The CSM TUBE team assessed the importance of each SDG in relation to its business activities. This assessment was carried out on the basis of the impact that each SDG can have on the company's business, enabling the identification of priority ones in the specific context of CSM TUBE. Below please find the SDGs identified as most relevant and prioritised, listed in order of importance.














Measurement via the SDG Action Manager platform

At the end of the SDG prioritisation phase, through the SDG Action Manager tool, the company was able to measure its contribution to the SDGs considered relevant and a priority for its business. Using the answers provided within the SDG Action Manager, a self-assessment tool, it was possible to obtain a score from 0 to 100 for each SDG. This score reflects the contribution of the measures and practices adopted by CSM TUBE for each Sustainable Development Goal.

Analysis of the results






The following table shows the results achieved by CSM TUBE with respect to the SDGs considered a priority for its business. The table shows the score achieved in the year 2023 with respect to each SDG, the projection of the score after the improvement actions defined by the Company, and the benchmark relative to the country (Italy) and the sector (manufactured metal products).






SDGs	CSM TUBE score 2023	Score projection after improvement actions	Country benchmark*	Sector benchmark**
	63.8%	75.5%	26.7%	29.8%
	19.6%	21.0%	16.3%	19.3%
	34.5%	40.8%	19.6%	22.3%
	27.2%	31.7%	19.1%	19.2%
	29.3%	35.5%	11.8%	12.7%
	20.6%	23.9%	17.6%	16.5%
	20.7%	37.4%	16.8%	17.9%
	39.8%	52.4%	21.3%	22.2%
	13.2%	13.9%	10.2%	10.3%
	39.7%	43.1%	13.8%	14.6%
	10.8%	17.5%	12.3%	12.0%

*Italy **Manufactured metal products

Linking SDGs to key ESG KPIs

The following table shows the association between the SDGs considered as relevant and priority by CSM TUBE and some ESG indicators, included in the Sustainability Report. The SDGs are listed in order of importance.

Reference SDGs	Material topic	Main indicators/actions	m.u.	Value 2023
9 INNOVATION AND INFRASTRUCTURE 	Innovation management	Number of new projects developed in the field of R&D	Number	3
		Kg of A4 paper saved thanks to the digitalisation project	Estimated in kg	152
3 GOOD HEALTH AND WELL-BEING 	Workers' health and safety	Rate of recordable work-related injuries (employees)	(Work-related injuries/hours worked) *1,000,000	14.8
		Rate of recordable work-related injuries (non-employee)	(Work-related injuries/hours worked) *1,000,000	97.6
		ISO 45001 certification	/	Possession of certification
8 DECENT WORK AND ECONOMIC GROWTH 	Supply chain	Percentage of expenditure on suppliers with environmental certification (ISO 14001)	%	84.8
		Percentage of expenditure on suppliers with health and safety certification (ISO 45001)	%	81.5
		Percentage spent on suppliers in the EU	%	97.3
	Development of human capital	Employees with a permanent contract	%	95.7
		Employees under 30	%	17.4
		Employee turnover rate	%	12.2
Relations with the local communities and area	Number of projects supporting the territory	No.	5	
7 AFFORDABLE AND CLEAN ENERGY 	Energy and greenhouse gas emissions	Ratio of total internally consumed energy to tonnes of product	GJ / t	2.2
		Ratio of total energy consumed internally to metres of product	(GJ / m) *1000	0.4
4 QUALITY EDUCATION 	Development of human capital	Average hours of training per employee	Average hours	11.3
		Non-compulsory training hours as a ratio to total training hours	%	48.5
		Total training hours in relation to hours worked	%	0.8

SDGs of reference	Material topic	Main indicators/actions	m.u.	Value 2023
	Business ethics and integrity	Number of cases of discrimination detected	no.	0
		Cases of corruption detected	no.	0
		Legal actions concerning anti-competitive behaviour and violations of antitrust laws	no.	0
	Data management and Cybersecurity	Confirmed cases of privacy breaches and loss of customer data	no.	0
	Circular Economy	Reclaimed wood packaging (crates)	%	11.3
		Reclaimed wood packaging (pallets)	%	56.8
		Purchased recycled materials out of total	%	26.8
	Emission of toxic substances and waste generation	Waste for recovery out of total waste generated	%	95.5
		Tonnes of total waste generated in relation to tonnes of product	%	11.9
	Development of human capital	Female employees	%	18.3
	Working conditions and environment	Employees rewarded for health and safety suggestions and proposals for improvement	No.	3
		Employees using the corporate welfare platform	%	Welfare platform implemented
	Energy and greenhouse gas emissions	Emission intensity location based on metres of product	tCO ₂ e/Millions of m	39.2
		Emission intensity location based on tonnes of product	tCO ₂ e /t	0.2
		Total Scope 1 and Scope 2 (location based)	tCO ₂ e	1591.5
	Impact on biodiversity and land use	Number of protected areas (Natura 2000) overlapping the CSM TUBE site and the locations of the strip and coil suppliers	no.	0
	Management of water resources	Ratio of total water abstraction to number of employees	ML/no. of employees	0.018

Index of GRI contents

Declaration of use	CSM TUBE spa has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation - version 2021
Relevant GRI sector standards	To date, there are no relevant industry standards for CSM TUBE spa

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NUMBER)
GRI 2: General Disclosures 2021	2-1 Organisational details	5; 6
	2-2 Entities included in the organisation’s sustainability reporting	7
	2-3 Reporting period, frequency and contact point	7 The contact point for questions concerning the CSM TUBE sustainability report and strategy is: esg@csmgroup.it
	2-4 Restatements of Information	As this is the first sustainability report, no restatements have been made.
	2-5 External assurance	This report has not been subjected to the external assurance process.
	2-6 Activities, value chain and other business relationships	5; 19
	Employees	33; 34
	2-8 Workers who are not employees	35
	2-9 Governance structure and composition	15; 16
	2-10 Nomination and selection of the highest governance body	15
	2-11 Chair of the highest governance body	15
	2-12 Role of the highest governance body in overseeing the management of impacts	16
	2-13 Delegation of responsibility for managing impacts	16
	2-14 Role of the highest governance body in sustainability reporting	16
	2-15 Conflicts of interest	15
	2-16 Communication of critical concerns	15
	2-17 Collective knowledge of the highest governance body	16; 36
	2-18 Evaluation of the performance of the highest governance body	At present, CSM TUBE spa has not implemented formal procedures to assess the performance of its highest governance body with regard to overseeing the management of ESG impacts.
	2-19 Remuneration policies	Information not available. There are no formal procedures regulating these parameters.
	2-20 Process to determine remuneration	There is currently no official document defining the procedure for setting remuneration. However, the relevant Metal Industry Collective Bargaining Agreement is applied.
	2-21 Annual total compensation ratio	Requirement omitted. As CSM TUBE spa is a private company, it is not deemed appropriate to share this information due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	3
	2-23 Policy commitments	22
	2-24 Embedding policy commitments	22
	2-25 Processes to remediate negative impacts (a, b)	22
	2-26 Mechanisms for seeking advice and raising concerns	22
	2-27 Compliance with laws and regulations	22
	2-28 Membership of associations	41
	2-29 Approach to stakeholder engagement	8; 9
	2-30 Collective bargaining agreements	32

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NUMBER)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	8; 9
	3-2 List of material topics	10-12
	3-3 Management of material topics	17-59
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	20
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	22
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	22
GRI 301: Materials 2016	301-1 Materials used by weight or volume	51
	301-2 Recycled input materials used	52
	301-3 Reclaimed products and their packaging materials	52
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	46
	302-3 Energy intensity	48
	302-4 Reduction of energy consumption	46; 47
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	56
	303-2 Management of water discharge-related impacts	56
	303-3 Water withdrawal	56; 57
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	58; 59
	304-2 Significant impacts of activities, products and services on biodiversity	58; 59
	304-3 Habitats protected or restored	58; 59
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	59
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50
	305-2 Energy indirect (Scope 2) GHG emissions	50
	305-4 GHG emissions intensity	50
	305-5 Reduction of GHG emissions	50

GRI STANDARD	DISCLOSURE	LOCATION (NUMBER OF PAGE)
GRI 306: Waste 2020	306-1 Waste generation and significant waste - related impacts	53; 54
	306-2 Management of significant waste - related impacts	53; 54
	306-3 Waste generated	54
	306-4 Waste diverted from disposal	54
	306-5 Waste directed to disposal	54
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	34
	401-2 Benefits provided to full-time employees that are not provided to temporary or part - time employees	38
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	29; 30
	403-2 Hazard identification, risk assessment, and incident investigation	29-31
	403-3 Occupational health services	29-31
	403-5 Worker training on occupational health and safety	30
	403-6 Promotion of worker health	30
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29-31
	403-8 Workers covered by an occupational health and safety management system	29-31
	403-9 Work-related injuries	31
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee (a)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	15; 33
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	22
GRI 413: Local communities 2016	413-2 Operations with local community engagement, impact assessments, and development programs	No actual and potential negative impacts of the operations of CSM TUBE spa on the local community are reported.
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	24
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	24
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	23



CSM TUBE

Stainless bonds _____