

SUSTAINABILITY
R E P O R T
2023
NON-FINANCIAL
STATEMENT





[CTA Group] AND THE DEVELOPMENT OF ITS ENVIRONMENTAL, ETHICAL AND MORAL COMMITMENT.

THE CTA Group IS ONE OF THE FEW COMPANIES TO HAVE CREATED A SPECIFIC LOGO FOR ITS SUSTAINABILITY REPORT.

The natural elements that are easily identifiable in the logo, namely water, air and earth, are like the points of the compass that together define the coordinates of life, both concrete and symbolic. Although the current situation may give rise to concerns about our future, we are called upon to recognise the opportunities for positive change; the resources available on Planet Earth, such as air, drinking water and soil, are not unlimited, but it is the symbolic force that will prevail, provided it manages to survive even in the background. To meet this challenge, we need new ideas and a radically new way of thinking and doing things; we need to evaluate and implement natural resource management that is adaptive, collaborative and takes into account short, medium and long term consequences.



“Towards an ecology of the mind”, dreamed Gregory Bateson in his seminal work. The mind is the most important environment to protect: reducing harmful emissions is fine, but emancipating minds, leaving them free to plan, to imagine wondrous encounters, is indispensable. And we are doing all we can to make that happen.

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[OPENING LETTER]

For the CTA Group, the financial year 2023 exceeded budget expectations, both in view of its excellent economic and financial results and of the acquisition of the Raccortubi Group, which allowed the Group to make a significant leap in size in terms of volumes, number of employees, and equity strength.

According to all major financial, economic and market KPIs, the Group has consolidated its growth trajectory in recent years, based on a diversified (different geographic areas) and specialised business model, rooted in skills and qualities matured over its more than 60-year history.

Such growth in key indicators is matched by the increased responsibility of the company and its managers towards stakeholders, in view of the company's impacts on society and the environment. Being aware of this growing responsibility, and in line with our long-standing transparency towards all stakeholders, we have decided to extend the voluntary drafting of the Sustainability Report to the entire Group, including the KPIs of our subsidiaries, even those recently acquired.

Compared to the previous year's report, the Group's commitment to ensuring that economic growth is on a human scale, respectful of the environment, social cohesion, and consistent with the Sustainable Development Goals set out in the United Nations 2030 Agenda remains unchanged.

This winning and responsible strategy is in the company's interest, though not only: reducing environmental impacts in the movement of goods, developing a circular economy that improves resource efficiency and promoting an economy that has a positive social impact for citizens and the local community are daily business commitments that generate trust and a favourable business environment.

In 2022 we defined CTA's ESG Plan, integrating ordinary business needs with respect for the environment and care for people and the territory. In 2023 we launched the main initiatives defined at the time and also extended the Plan to include our recently acquired companies, exploring the opportunities arising from the new activities entering our scope.

The main initiatives of the year concerned the completion of our four major sustainable logics projects according to schedule:

- i. we extended the Scope 3 carbon footprint survey to a consolidated perimeter, completing the analysis of the most relevant operational areas at Group level and launching a continuous monitoring process; we also confirmed our carbon footprint certification according to UNI EN ISO 14067:2018 standards;
- ii. we continued to evaluate the opportunities arising from the energy transition by participating in the incorporation of Vision 2H, a company that intends to develop an electrolyzer for hydrogen production using innovative technology;
- iii. we completed the installation of photovoltaic roofing on our Grugliasco facility; its use for self-production purposes is expected to start by the end of 2024;
- iv. we launched specific product initiatives, aimed at including high-quality, zero-emission pipes in our product catalogue; we plan to purchase the first batches of these materials in 2024 in order to serve customers most attentive to ESG issues;



- v. we completed the ambitious community project launched in 2022, namely the renovation, implementation and renewal of a large sports centre in Settimo Torinese, which will involve the families of our employees in their free time, while remaining open and available to sportsmen and women in the area; the new facility was inaugurated in May 2024 and will soon be available to users.

Having completed this set-up phase, our strategy now aims at pursuing an integrated sustainability approach in our day-to-day business processes: in order to promote an aligned conduct across the group, for 2024 we have already introduced ESG targets for the reward of our first line managers.

Lastly, our commitment in the management of relations with various stakeholders has been recognised: in fact, we have been awarded excellent ratings by qualified operators such as Open-Es and Synesgy, which have made us stand out for our commitment to sustainability issues.

In 2024 we will focus on improving the operational integration of ESG logics into business processes: we will further pursue our daily commitment to implementing sustainability initiatives, paying special attention to the measurability of impacts and the concreteness of interventions.

We hope that this document will enable all interested parties to grasp the distinctive features of our company's actions.

CEO
Marco Pollastrini

1. [PROFILE AND IDENTITY]

1.1 THE GROUP

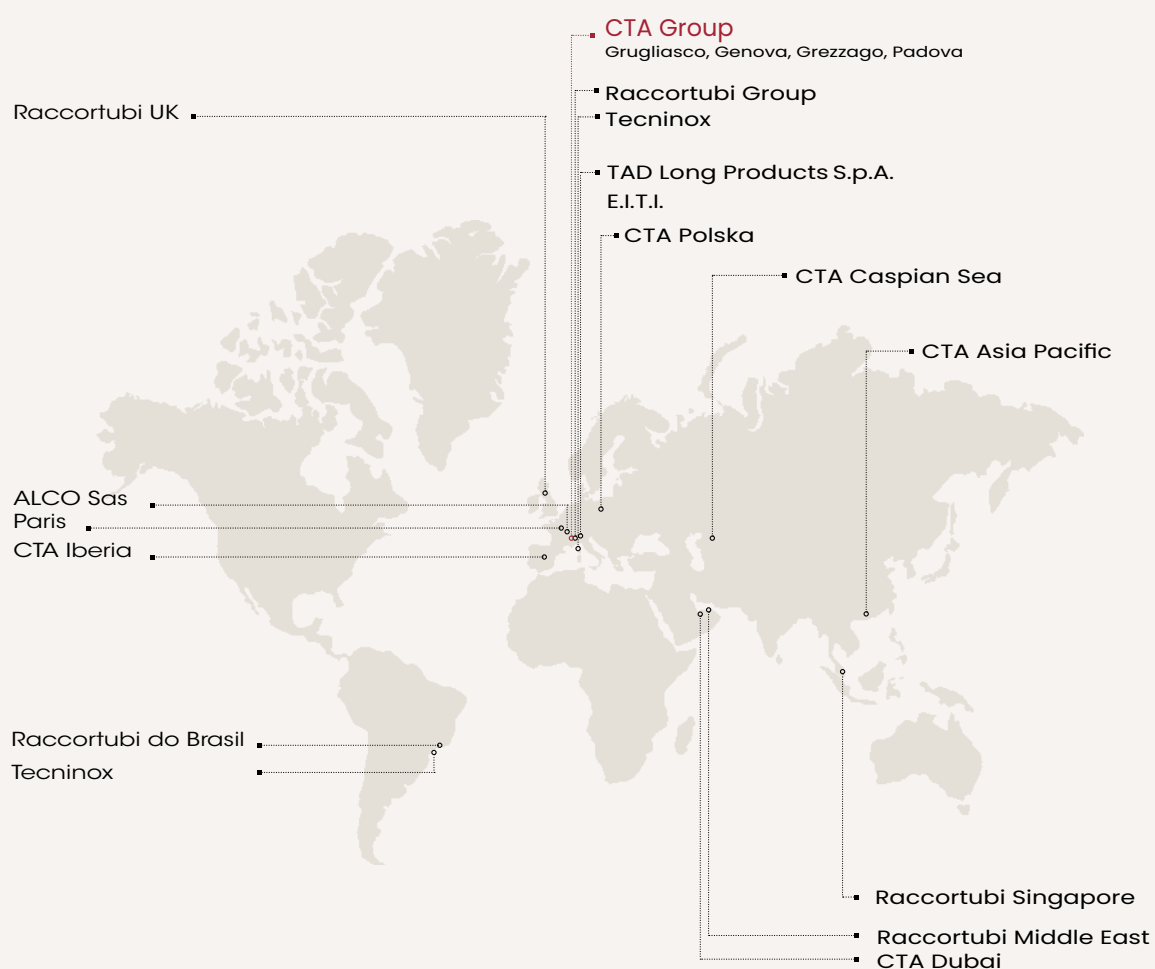
The CTA Group is an international **leader** in the distribution of **steel** pipes, rods, fittings, flanges and valves and in the **management of industrial projects** mainly for the chemical, petrochemical, refining, gas processing, nuclear and renewable energy markets, with total revenues exceeding **260 million euros** in 2023

REVENUES IN MILLION EUROS BY GEOGRAPHICAL AREA*	2023	2022
Italy	104,0	89,0
Europe	70,0	74,0
Extra-EU	91,0	38,0
Total	265,0	201,0

*Approximate values



The acquisition of the **Raccortubi Group**, completed in **July 2023** to further reinforce a partnership started as early as 2020, allowed the company to **consolidate** its market positioning and further diversify its business, giving rise to a leading Group in its markets, with a relevant **international presence** especially in the Middle East, Asia, Africa, South America and Europe.

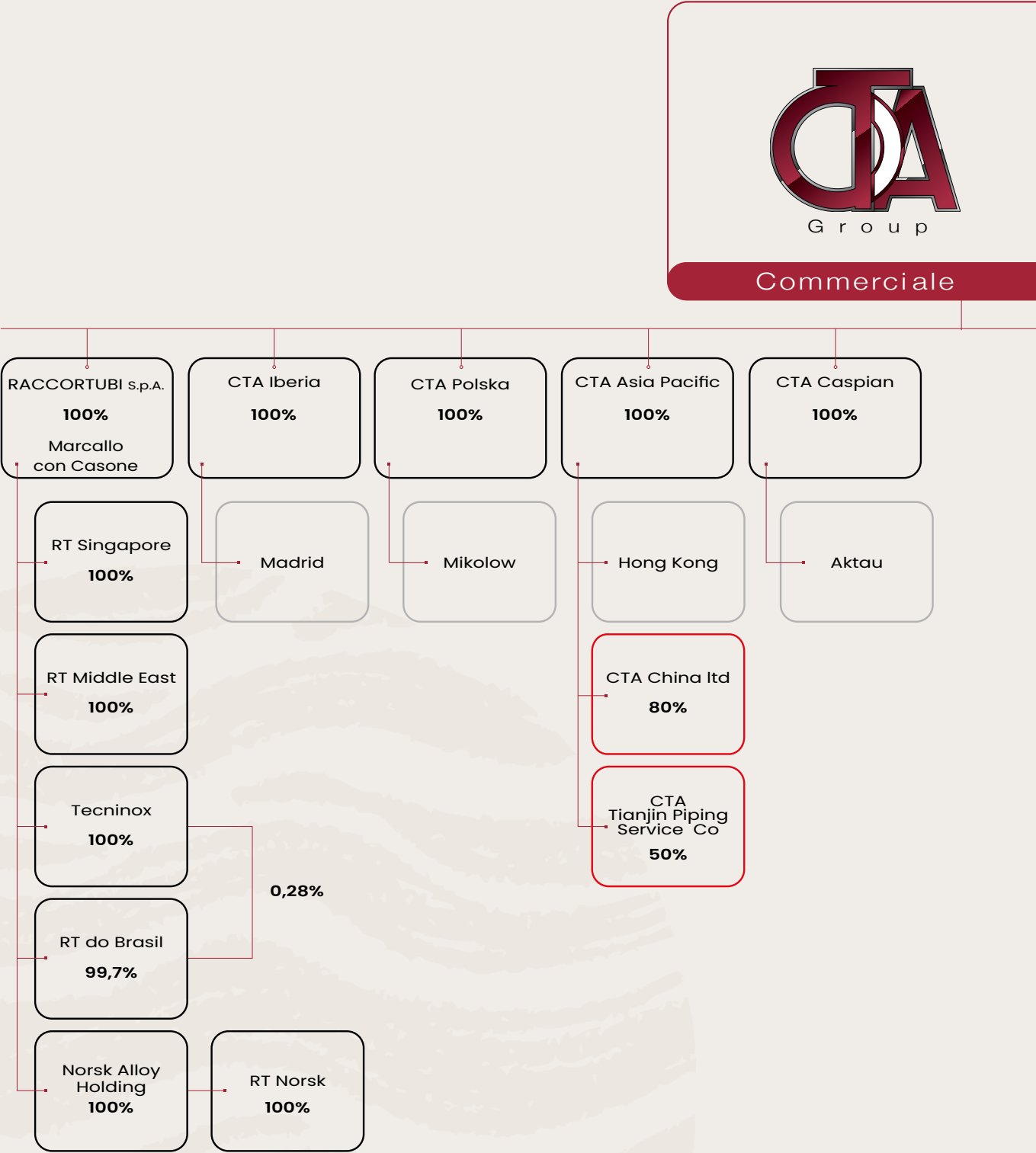


NO. OF EMPLOYEES BY GEOGRAPHICAL AREA - 2023		
ITALY	REST OF EU	EXTRA-EU
241	22	43



1. [PROFILE AND IDENTITY]

THE DIAGRAM BELOW SUMMARISES THE CURRENT OWNERSHIP STRUCTURE OF THE GROUP.



Grugliasco (Turin)

Grezzago (Milan)

Conselve (Padua)

Genoa

Paris

Tubi Acciaio

CTA Dubai
100%

Dubai

E.I.T.I.
60%

Pozzo
d'Adda
(Milan)

T.L.P.
100%

Caronno
Pertusella
(Varese)

ALCO
85%
(Tournan en Brie)

CTA Rus
100%

Moscow

 Company in liquidation/closing down

 Inactive company



1. [PROFILE AND IDENTITY]



COMMERCIALE TUBI ACCIAIO S.p.A. IS THE PARENT COMPANY OF THE GROUP

Commerciale Tubi Acciaio S.p.A. is the parent company of the Group, mainly engaged in **marketing** first and second-stage steel products (namely, pipes and related accessories) and in **project management** for the chemical, petrochemical, refining, gas processing, power generation and nuclear markets, with revenues of approximately **180 million euros** in 2023.

In Italy, CTA S.p.A. carries out its activities at the following sites:

- **Grugliasco** → the head office of the CTA Group, with 1,300 m² of offices and 40,000 m² of warehouse space, to which an additional warehouse was recently added that will be fully operational as from 2024.
- **Grezzago** → a 46,000 m² facility that combines a warehouse and sales offices in a single strategic structure, including areas for the activities of TLP and EITI.
- **Genoa** → an office dedicated to international projects, designed to facilitate the Group's entry into non-traditional geographical areas such as the Arab Emirates, Egypt and Libya.
- **Padua** → sales office.

Business growth in Italy has been accompanied over the years by significant **international expansion**, with the incorporation of foreign subsidiaries so as to operate directly in the main relevant markets:

- in **France** with the CTA France sales office, established in 2003;
- in **Hong Kong** with CTA Asia Pacific Ltd, operational since 2008;
- in **Spain** with CTA Iberia (created in 2010), the group's main interlocutor for the Central and South American region as well as for the local market;
- in **Kazakhstan** with CTA Caspian Sea, established in 2011 to serve all major local and international oil, gas, and engineering companies, as well as to establish business relations with major local producers;
- in **Poland** since February 2012 thanks to the cooperation with Polish wholesaler König Stahl and the subsequent establishment of CTA Polska in 2018;
- in the **Arab Emirates United** with CTA Dubai, set up in 2023 to consolidate our presence in the Gulf area, where our largest investments to date in the oil and gas sector are planned.

In addition to the establishment of foreign sales offices, CTA's expansion over time has also been pursued with the **acquisition of specialised companies** such as T.L.P., ALCO and E.I.T.I.



TAD Long Products (T.L.P.) is a leading Italian **distributor** of seamless and welded tubes, fittings and bars: it has a strong market presence in the chemical, petrochemical, oil-hydraulic and mechanical sectors, as well as in all the main fields of stainless steel applications as a result of its continuous collaboration with CTA.

TLP's **sales offices** are in Caronno Pertusella (Varese); its **warehouse** – located in CTA's facility in Grezzago (Milan) – is about 7,000 m² large and has a well-stocked **inventory** of more than 2,000 tonnes to offer fast delivery and accurate responses to about 3,000 customers nationwide.



ALCO

ALCO is a French company – with both a warehouse and sales office near Paris – engaged in the **distribution** of seamless stainless steel pipes and fittings. A range of its conventional products is intended for the naval, petrochemical and cryogenic markets, while a range of qualified **RCCM** products is for the **nuclear** industry. ALCO joined the CTA Group in 2020, opening up new business opportunities as a niche distributor of stainless and carbon steel in all segments of the energy market, including the renewable energy sector, and strengthening its presence in a market of **high value-added materials**.



E.I.T.I. is an **inspection entity** that resulted in 2015 from the merger between Qualytube S.r.l. and Sideco S.p.A.. It offers inspection, testing, non-destructive testing, auditing, project management and technical consultancy services for Quality management and control to the **Oil&Gas** market.

1. [PROFILE AND IDENTITY]



The **Raccortubi Group**, a 100% member of the CTA Group since 2023, is a **manufacturer, stockist and supplier of piping products** (pipes, fittings and flanges) for critical applications intended for chemical, petrochemical and nuclear plants, water treatment plants, shipyards, fertiliser and desalination plants, renewable energy and hydrogen plants, with a turnover of **55 million euros**. The Raccortubi Group is an **international company** thanks to the following subsidiaries:

- Raccortubi Norsk in the **United Kingdom**, mainly dealing with offshore applications for installations in the North Sea; in March 2024 the company changed its name to Raccortubi UK;
- Raccortubi Middle East in **Dubai**, supplying customers in the Middle East;
- Raccortubi **Singapore**, supplying customers in South-East Asia;
- Raccortubi do **Brasil**, serving customers in South America.

All foreign subsidiaries act as **sales offices** with small warehouses for product storage; the Group's **head office** – located near **Milan** – manages and coordinates the entire national and international distribution network thanks to a **large warehouse** with more than 6,000 items intended for the direct supply of piping material in stainless steel and special alloys.

To ensure utmost **quality and efficient** services, the Group's central warehouse is constantly supplied with in-house production of butt weld fittings manufactured at the production facility of **Tecninox** in Piacenza, Italy.

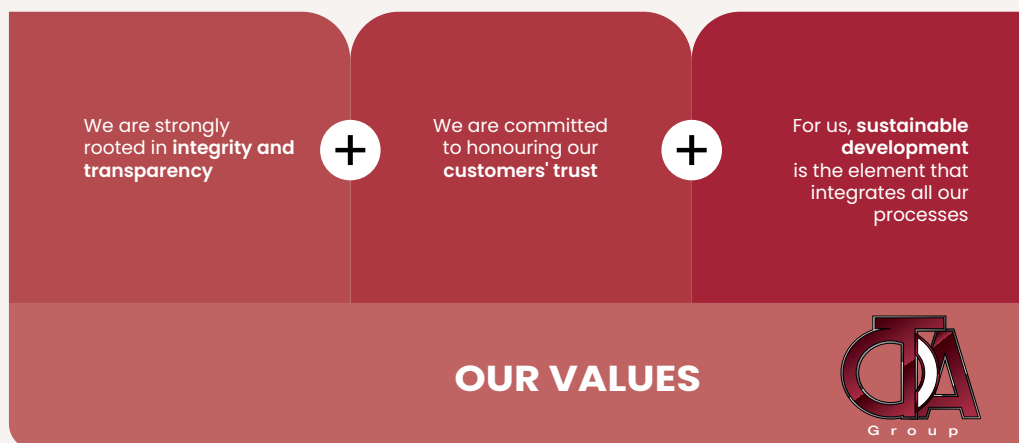


Adaptive planning ensures synergistically **integrated production** serving all Group companies: since 1988, Tecninox has been a flexible and reliable in-house production source, leaving room for **special orders** determined by specific customer requirements, and drawing raw materials from **Raccortubi's stock** according to scheduled deliveries or orders for special fittings.



Therefore, following the integration of the Raccortubi Group, the CTA Group has **over 300 employees and 16 locations worldwide**, and is one of the **biggest international suppliers** in the aforesaid sectors, with traded volumes that allow it to obtain favourable conditions, in terms of costs, delivery and service, from the world's leading manufacturers.

To ensure **efficient management** and **high operational standards**, the Group constantly promotes uniform practices across all its business units: the company's philosophy of service, its customer-focused organisation, technical expertise, warehouse services, flexibility and reliability are all values that are widely shared by its different sites that, over time, have been located in the most important geographical areas for **its business**.



1. [PROFILE AND IDENTITY]

1.2 BUSINESS MODEL

To represent the Group's business models and main processes **in detail**, it is useful to keep the distinction made in the previous section between:

- the activities of the parent company CTA, together with its longest-established related companies such as T.L.P., ALCO and E.I.T.I. and its international subsidiaries, and
- the recently acquired activities of Raccortubi and its subsidiaries, including Tecninox.

The companies in the first group (CTA and its foreign subsidiaries, together with T.L.P. and ALCO) are engaged in two main activities intended for the chemical, petrochemical, refining, gas processing, power generation and nuclear markets:

- **Distribution of steel pipes, fittings, flanges and valves**

In this case, the relevant business stages are: the procurement of finished products, their storage in warehouses (with pipe cutting/grinding and product marking), logistics organisation (carried out by third parties), quality control, sales and customer support.

The products marketed are mainly used by operators known as "*major steel users*", i.e. operators involved in, for example, the distribution and processing of fossil fuels; in addition, a more ordinary distribution activity is also carried out, which concerns smaller end customers or traders, as well as traders in specific areas who need material in stock.



The main sites for these activities are CTA's warehouses in Grugliasco and Grezzago (where T.L.P. also operates) and ALCO's warehouse in Tournan en-Brie.

- **Project management for industrial plants**

Project management for industrial plants, which is carried out exclusively by CTA and its foreign sales offices, is intended to support major steel users (e.g. where products are purchased for maintenance), engineering companies entrusted by major steel users with Project examination, and companies engaged in plant construction.



As regards the parent company CTA, the project management business contributes to its margins and revenues to the same extent as the distribution business.

These two main activities are complemented by the **technical consultancy** activities of E.I.T.I., which operates both at CTA's facilities and at customer sites: it offers exclusively technical consultancy services such as inspections, testing, non-destructive testing and project management in the Quality and Supply-Chain fields.

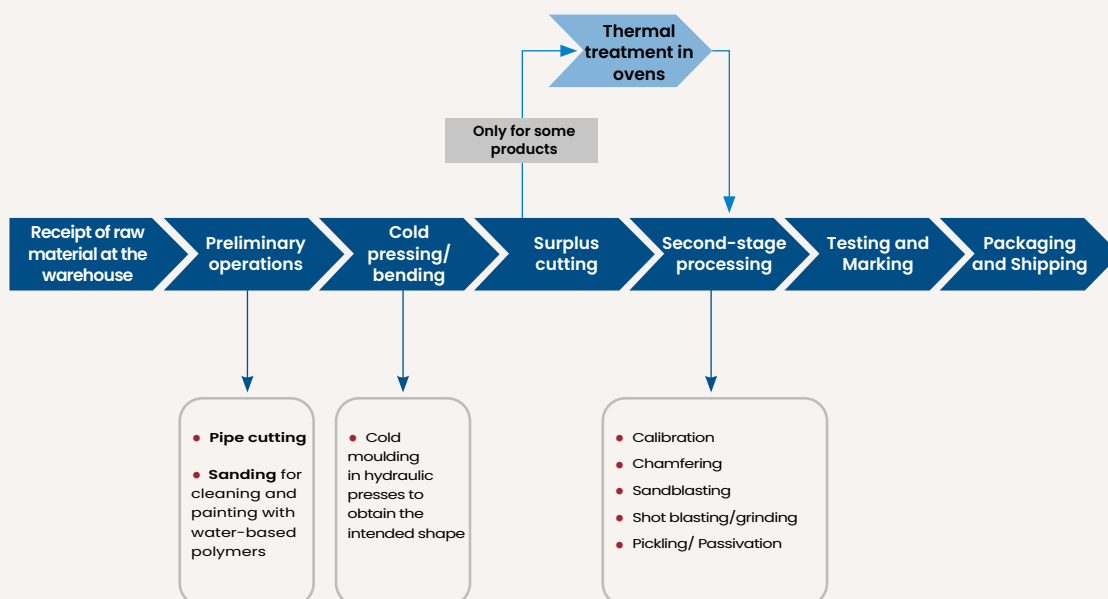


As regards the second group of companies – Raccortubi, its foreign subsidiaries, and Tecninox – their business is mainly focused on the **distribution of steel pipes, fittings, flanges and valves** for critical applications in renewable and non-renewable power generation, chemicals and petrochemicals, fertiliser and desalination plants, water treatment and shipyards.

Also in this case, the main stages of the business are: procurement management, storage in warehouses (primarily at the central warehouse in Marcallo, though also at some smaller warehouses of foreign subsidiaries), logistics organisation, quality control, sales and customer support; in addition, we should also mention the **in-house production of butt weld fittings** at the Italian site of Tecninox.



Tecninox specialises in the **cold production** of butt weld fittings (bends, stainless steel tees, reducers), drawing raw material from Raccortubi's stock according to scheduled deliveries or orders for special fittings. Specifically, the **standard production cycle** of Tecninox can be summarised – in simplified form – as follows.



1. [PROFILE AND IDENTITY]

THE REVENUES

Consolidated revenues are distributed among the various businesses and geographical areas as shown in the table below:

DISTRIBUTION OF REVENUES	Total %	Italy	EU (extra ITA)	EUROPA (extra EU)	Extra-EU
Projects	35,4%	5,7%	2,5%	7,0%	20,2%
Distribution	64,0%	34,5%	12,6%	1,9%	15,1%
Other Revenues	0,6%	0,2%	0,0%	0,1%	0,2%
TOTAL	100%	40,4%	15,1%	9,0%	35,5%

Also thanks to its external growth, the Group has pursued a turnover diversification policy by country, customer, sector, which has been further increased by the acquisition of Raccortubi. In 2023, the CTA Group in fact consolidated its international vocation, with most of its sales being made abroad and further reducing business risk concentration by geographical area and segment, making the most of its ability to react and manage local crises.

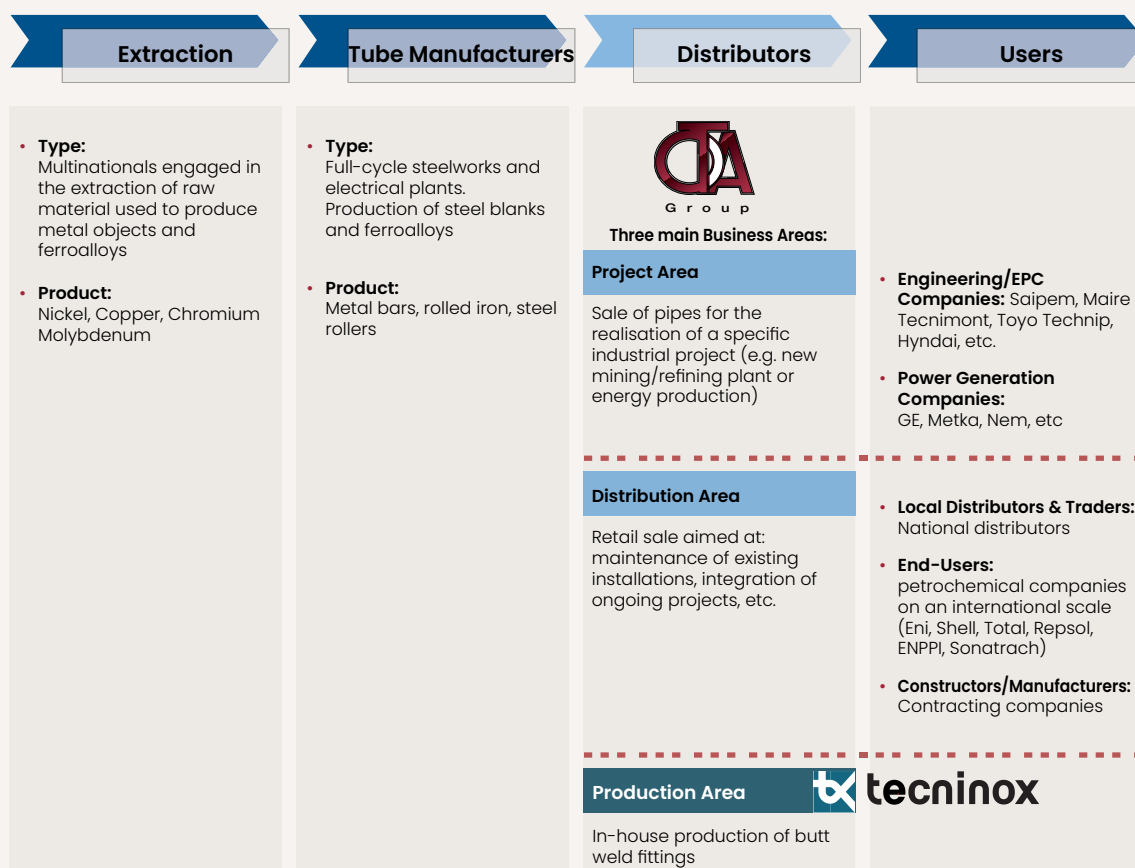
As from **2024**, the activities carried out by Group companies will be the subject of a **systematisation, integration and consolidation project** supervised by Management, to strengthen the skills of each Business Unit and achieve **maximum efficiency**.

Considering the **main markets** and **types of customers** served, the Group's consolidated revenues are mainly related to customers operating in the following main sectors: extraction or re-refining of fossil fuels, energy production (fossil and renewable energy), chemical plants; a large part of the Group's turnover derives from serving these sectors.

POSITIONING IN THE VALUE CHAIN

The activities described above are predominantly **downstream of the value chain** of the respective supply chains and within an **international** scenario, between the producers of pipes and related accessories (steel mills) and users (EPC, Petrochemical companies), with which the Group has solely **B2B** interactions.





Therefore, the Group's positioning is not that of a Market Maker; however, the success of its development strategy depends on its ability to **anticipate and adapt** to the changes taking place in its target markets.



Some examples of customers having a stable relationship with the Group.

The main **strengths** of the Group's business model include:

- its **international presence**, with offices located directly in strategic areas for the development of the company's business and of its relations with producers and consumers;
- its **technical skills, bargaining skills and market knowledge**, in particular with regard to aspects such as procurement timing, the products most in demand, price trends, etc.;
- its **large stock availability** and its ability to organise and optimise its distribution network;
- its **established customer relationships** thanks to the proven quality of its services;
- its **privileged partnerships with the world's leading manufacturers**, including Tenaris, with which the Group has had a partnership agreement since 2002, enabling it to:
 - act as its main distributor worldwide;
 - achieve benefits in terms of product quality and reliability;
 - have a warehouse with a unique extent and depth of the product range;
 - obtain a bonus upon reaching certain purchase thresholds.



1. [PROFILE AND IDENTITY]

1.3 ORGANISATION AND CONTROL

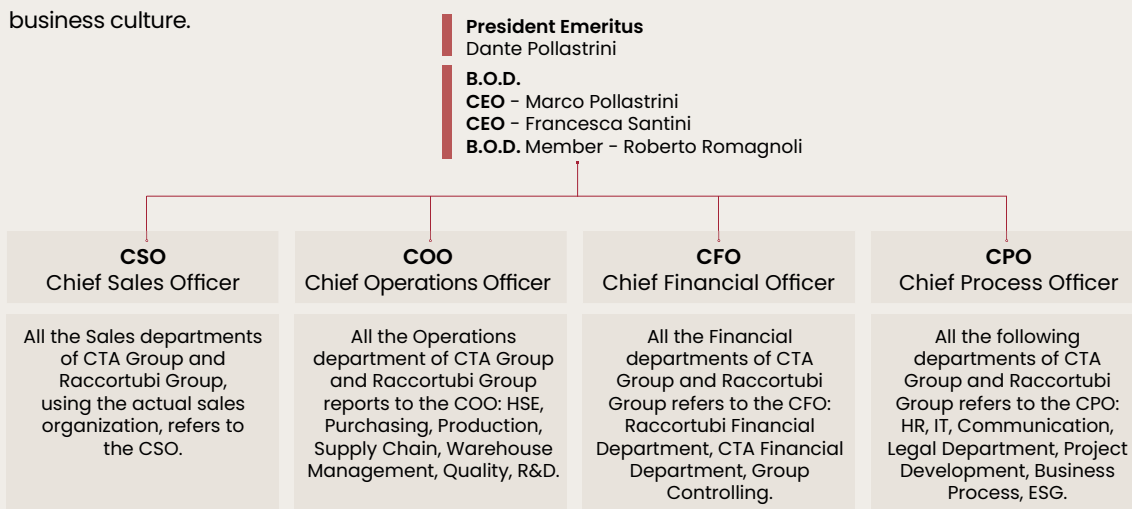
The parent company of the CTA Group (CTA S.p.A.) is a joint-stock company whose capital is held by shareholders related to the family of the company's founder, Dante Pollastrini: the **continuity over time** of the ownership structure and the owners' **involvement in the management of the company** are evidence of the shareholders' long-term commitment to the development of the company's projects. The Company adopts a **traditional corporate governance system**: the management body is the Board of Directors elected by the Shareholders' Meeting, renewed at the beginning of 2024 and in office for three financial years, whose current members are Marco Pollastrini (Chairman of the Board and CEO), Francesca Santini (CEO) and Roberto Romagnoli (Director).

Name	Gender	Age group	Role	Executive	Independent
Marco Pollastrini	M	>50	Chairman and CEO	Yes	No
Francesca Santini	F	>50	AD	Yes	No
Roberto Romagnoli	M	>50	Director	No	Yes

The **Board** is responsible for reviewing and approving the operating **guidelines** of the Company and its Subsidiaries, evaluating organisational and corporate governance proposals and deciding on commercial and investment policies; it also has decision-making authority for extraordinary transactions and the management of annual budgets.

The Board of Directors is therefore vested with the broadest powers of **strategic guidance** for the due and efficient management of the Group in compliance with the corporate purpose; on the other hand, the **Board of Statutory Auditors** – currently composed of three members – is responsible for supervising compliance with the law and the Articles of Association, compliance with the principles of good governance and, to the extent of its remit, the adequacy of the internal control system.

The consolidated financial statements are **statutorily audited** by BDO Italia S.p.A. The operational and strategic management of the company and of its **main subsidiaries** is supervised by the executive members of the Board of Directors and supported by specific management figures with **transversal responsibilities** at Group level, with the aim of ensuring uniform business practices and consolidating business culture.



As for the management of **impacts, risks** and **sustainability opportunities**, the organisational



structures – headed by directors and managers – report to the Chief Operations Officer and the Chief Process Officer with regard to:

- the day-to-day management of **operations** (e.g. human resources management offices, purchasing and legal affairs offices, IT and Communications);
- the implementation and maintenance of **management systems** for environmental, safety and quality issues in accordance with ISO standards.

The main responsibilities are therefore defined within the scope of the functions assigned by law to **directors** and, as can be seen from the organisation chart above in simplified form, to first-level **executives** (including directors).

To this end, in September 2023 – in accordance with the ESG Plan – an **ESG Committee** was set up, whose members include the managers of the most significant ESG processes as well as the executive members of the **Board of Directors**, which is entrusted with **strategic guidance activities**; the members of the BoD are responsible in particular for:

- the supervision of the periodic **reviews** that are part of environmental, safety and quality management systems;
- the periodic review of the **materiality analysis** for the identification and assessment of **impacts, risks and opportunities** relevant to the Group in relation to its activities, business relationships and scenario;
- the review and approval of the **ESG Plan**, which sets out the Group's main sustainability objectives, with the relevant managers, specific targets and budgets assigned;
- the review and approval of the **Sustainability Report**, developed by specific corporate structures, also with the help of external experts in this field.

The **periodic management reviews** of environmental, safety and quality management systems (conducted at least once a year) and the meetings of the **ESG Committee** (called every four months) are intended to provide the management and control bodies of the Group with an **adequate information flow** on the progress made in the management of the most relevant ESG issues.

Both of them are also essential to adequately inform the definition and evaluation of the **Company's sustainability objectives** (e.g. health and safety) and of the **objectives** assigned to given **first line managers**, tied to a variable component of their annual remuneration.

Within the ESG Committee, the **ESG Manager** is responsible for overseeing sustainability performance reporting, accounting to the Committee, promoting improvements or addressing critical issues. The ESG Committee is also attended by the newly established **ESG Ambassador**, who is in charge of presenting sustainability initiatives within the various Group companies, gathering indications and suggestions aimed at making activities more effective and customised according to local specificities.

The CTA Group's ESG AMBASSADOR

In 2023, CTA established the figure of ESG Ambassador, choosing a person with mature business knowledge and appropriate expertise on sustainability issues. In managing the assignment, the Ambassador is responsible for raising awareness within the Group of the initiatives defined in the ESG Plan and collecting feedback and suggestions on the best management of sustainability activities, whilst paying attention to the specificities of the various facilities. The CTA Group is currently integrating its international components with the newly acquired ones: the ESG Ambassador accompanies this challenging integration process also with regard to the management of sustainability issues and projects.



2. [SUSTAINABILITY STRATEGY]

2.1 OUR APPROACH

For the CTA Group, it is **fundamental** to pay attention to environmental, social and governance **sustainability** issues in compliance with the methodological and regulatory guidelines defined at an international level, so as to mitigate negative **impacts**, intensify positive impacts and manage possible **risks** and **opportunities**.

In fact, the integrated management of sustainability issues allows the Group to respond effectively to the needs of multiple **stakeholders** such as customers, financial operators, human resources and the relevant territorial communities, ensuring **sustainable development** in the medium to long term.

For the Group, the **relevance** of sustainability issues is implemented first and foremost **at the operational** level with reference to the following issues:

- the definition and maintenance of **certified systems** in compliance with ISO standards for the management of environmental and health and safety (as well as quality) issues in the companies/operational areas that are most exposed to risks related to such issues; indeed, as a result of such systems and the ensuing definition of specific **roles, responsibilities** and **procedures**, an organisational structure capable of guaranteeing the control and continuous improvement of environmental and social performance can be set up and maintained;

CTA S.p.A. ISO 14001 ISO 45001	RACCORTUBI S.p.A. and UK ISO 14001 ISO 45001	TECNINOX Srl ISO 14001 ISO 45001
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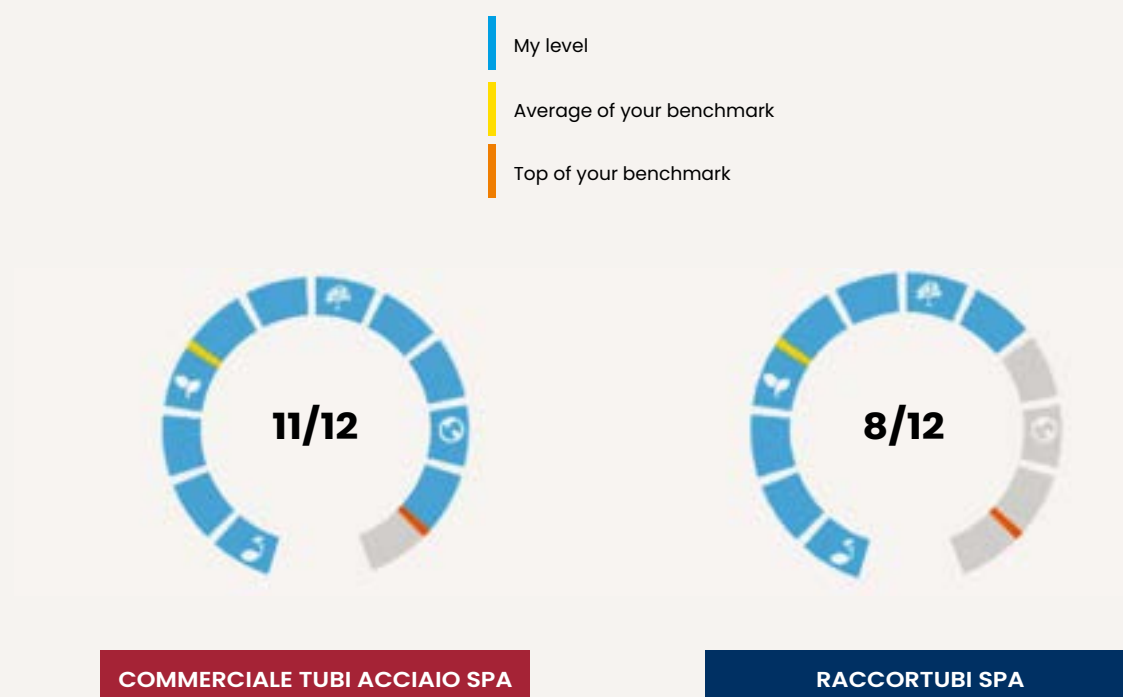
- the adoption of corporate process **governance tools** consistent with national and international best practices, with the definition of specific controls such as the **Code of Ethics and Conduct** (present both in CTA and Raccortubi), the **Organisation, Management and Control Model** (present in CTA S.p.A. and currently being defined for Raccortubi S.p.A.), and the **Legality Rating** (for CTA S.p.A.);
- the inclusion of zero-emission products in our product catalogue: in order to meet the needs of our more environmentally aware customers and to characterise our range, we have started examining zero-emission (certified) products, to be placed alongside our more traditional materials, most of which derive from the re-use of materials and scrap;
- the implementation of initiatives for the improvement of our **environmental performance**, such as the installation of **photovoltaic plants** at the Grugliasco and Grezzago facilities and the assessment of the Organisation's **Carbon Footprint** (extended to a consolidated perimeter in 2023 and subject to ISO 14064 certification);
- the enhancement of **human resources** through specific **training** and **upgrading** programmes aimed at promoting the continuous strengthening of their skills along with their professional growth;
- the implementation of an important **local development** initiative for the Settimo Torinese community;
- the pursuit of a **planning process** launched in 2022 for the preparation of the **Sustainability Report** and the **ESG Plan**, under which the **ESG Committee** was officially established, i.e. an operational committee currently chaired by the Chief Process Officer and made up of managerial figures with roles and skills relating to sustainability issues;



- the participation in the main ESG Self-Assessment platforms, aimed at strengthening our **competitive positioning** and our **collaboration** with major customers with a view to improving the ESG performance of their respective value chains; with respect to this last point, we should mention the "ZEI-World" self-assessment that **ALCO** underwent at the beginning of 2024.

The following figure shows the results of the self-assessments carried out on the Open-es portal of the main companies making up the CTA Group.

Open-es level reached



Attention to sustainability issues and the aspects discussed above has also long been endorsed by the **Raccortubi Group**, which has adopted a **Code of Ethics** and is certified in its most exposed operating areas – i.e. Raccortubi S.p.A. and UK and Tecninox – according to **ISO standards** on environmental and health and safety management.

Specific activities and resources are envisaged in **2024** to further strengthen these practices and controls with a view to **integrating and standardizing** practices at CTA Group level so that sustainability issues are routinely handled according to company processes rather than as stand-alone projects.

In addition to operational issues, the careful assessment and management of sustainability impacts, risks and opportunities are taken into account by the Group also **from a strategic point of view**, given the growing importance of ESG issues for the entire **value chain**.



2 [SUSTAINABILITY STRATEGY]

2.1 OUR APPROACH

Indeed, **upstream** of the supply chain, the reduction of environmental impacts (related to energy consumption, emission generation and consumption of natural resources) and the protection of workers' rights are increasingly relevant for **steel producers** and are seen as elements of dialogue and competition. Attention to these aspects, however, is not uniform **worldwide** and causes a **wide gap** between the prices of European producers and the prices of producers located in low-cost areas (generally developing countries), characterised by legislative frameworks that are not as regulated for combating climate change: in this respect, the effects of the recent introduction of the **Carbon Border Adjustment Mechanism (CBAM)** – an environmental levy aimed at ensuring that efforts to reduce greenhouse gas emissions within the EU are not counteracted by a concomitant increase in emissions outside European borders for goods produced in non-EU countries and then imported – will have to be assessed.

Specifically, the CBAM will result in the application of an **additional price** for emissions incorporated into the products of certain types of industries (including the steel industry), comparable to that borne by EU producers under the existing EU Emissions Trading Scheme (EU ETS).

Also **downstream** of the Group's activities, the ecological transition is increasingly crucial for many **major customers** operating in the oil and gas sector, with the gradual shift to energy production from **renewable sources** and the replacement of fossil fuels to reduce greenhouse gas emissions and achieve the climate neutrality targets set by the EU and major international organisations.

With respect to **supplies**, the Group has had no choice but to **reorganise** itself in order to remain competitive on purchases, competing with non-European operators – often not subject to restrictions – especially for large international projects.

As regards **market outlets**, the first steps of a **strategic repositioning** have been taken in recent years, aimed at keeping the Group's **competitiveness** stable in the medium to long term, **diversifying** its business and gaining an **advantage** in the markets of the future, with the intention of operating not only as **distributors** for the renewable energy and "green" chemical markets, but also as **manufacturers** and **decision-makers**.

As far as **distribution** activities are concerned, the acquisition of the Raccortubi Group is particularly important, for it ensures our better positioning with respect to the above-mentioned markets, in addition to the activities carried out by the French subsidiary ALCO for the nuclear energy market.



As regards **production** and **decision-making**, we should mention the following research and development **projects** supervised by the R&D Department:

- **the incorporation** – in partnership with Valland, a leading Italian manufacturer of special valves for the Oil & Gas sector – **of Vision 2H**, a company that intends to develop an electrolyzer for hydrogen production using AEM (Anion Exchange Membrane) technology, an emerging technology that involves the use of less valuable materials as electrodes for water electrolysis, with ensuing economic and sustainability advantages compared to current technologies (alkaline and PEM technologies);

Vision2H was officially incorporated in early 2024



Strategy

We aim to become the pioneer in manufacturing large-scale, green AEM electrolyzers.

Our offerings will include complete production modules, each with a capacity ranging from 1 MW to 10 MW. Our target clientele will encompass engineering firms, end users, and energy operators, many of whom are already part of the CTA Group's esteemed customer base

Key results of the project for CTA – 2023

- Execution of crucial decisions establishing the guiding principles of the project
- Successful scouting of the essential component: the stack
- Identification and formal commitment of partners
- Comprehensive formulation of a Business Plan extending to 2028 and describing the company's objectives and economics

Objectives of Vision 2H – 2024

- First prototype (100 kW) to become operational by the end of 2024
- Identification of co-development partners in the EU, North Africa and the Middle East
- Participation in all major international hydrogen exhibitions in 2024

-
- participation in the **Italian Hydrogen Association**;
 - co-foundation and participation in the Houston-based **H2 Technology Consortium**.
 - development of dedicated procurement specifications and establishment of a dedicated **stock** of materials for hydrogen transport (mixed with natural gas in different proportions, up to 100% of transported gas): pipes, fittings and valves.

2 [SUSTAINABILITY STRATEGY]

2.2 THE MATERIALITY ANALYSIS

The materiality analysis is a particularly important process as it allows us to identify **material topics**, i.e. the most relevant sustainability issues based on the activities performed and the business context, and thus to:

- set up **sustainability reporting**;
- define **actions to improve** ESG performance.

In 2023, the materiality analysis was carried out in accordance with the **GRI Standards**, which require organisations to approach this process from an **Impact Materiality** perspective.

The main steps of the analysis are summarised below.

PHASE 1: Understanding the organisation's context and identifying impacts

The **first phase** of the materiality analysis, aimed at understanding the organisation's context included:

- discussions with our first line managers;
- analysis of internal documentation;
- evaluation of the material topics identified by our main competitors;
- analysis of sustainability macrotrends and of the Sustainable Development Goals (SDGs);
- analysis of potentially material issues suggested by GRI Sector Standard 11;
- analysis of the sustainability expectations of key stakeholders.

With respect to this last point, the following is a list of the main **categories of stakeholders** identified, as well as their expectations and how they interact with the Group.



CATEGORY	STAKEHOLDERS	EXPECTATIONS	MANNER OF INTERACTION
Shareholders		- Value creation and distribution - Economic, social and environmental sustainability - Operational and strategic risk management	- Shareholders' Meetings - Communication of financial results - Sustainability disclosure
Customers		- Product quality, safety and competitiveness - Service continuity and accountability - Collaboration in the development of products and services - Commitment to ESG issues	- Audits - Direct contacts with competent structures (logistics, sales, quality) - Website - Industry events
Human resources	Employees and collaborators	- Financial solidity - Health and safety at work - Fairness, transparency and continuity of contractual arrangements - Skill enhancement - Opportunities for professional growth - Welfare protection and psychological and physical well-being	- Direct contacts with competent structures - Corporate information - Model 231 and Whistleblowing Platform
Financial community	- Banks - Insurance companies	- Value creation and distribution - Business continuity - Solid and transparent governance - Operational and strategic risk management - Economic, social and environmental sustainability	- Communication of financial results - Direct contacts with competent structures - Questionnaires on ESG topics - Sustainability disclosure
P.A. and institutions	- Local institutions (Municipalities, Provinces and Regions) - National and European institutions	- Financial solidity - Collaboration and dialogue - Transparent communications and accountability - Compliance with legislation and standards	- Communication of financial results - Sustainability disclosure
Certification and inspection bodies	- DNV - ARPA, INPS, INAIL, Labour Inspectorate	- Compliance with regulatory requirements - Compliance with certification specifications	- Audits - Direct contacts with competent structures
Territories and communities	- Citizens - Local and national associations - Schools and Universities	- Value creation and distribution - Use of local resources - Transparent communications and accountability - Compliance with legislation and standards - Support for territorial initiatives - Economic, social and environmental sustainability	- Interventions to support local development - Sustainability disclosure - Collaborations with local authorities
Suppliers of goods and services	- Strategic product suppliers - Strategic service providers - Suppliers of ancillary products/services	- Fairness, transparency and continuity of contractual arrangements - Value creation and distribution	- Audits - Direct contacts with competent structures (logistics, sales, quality control) - Website
Industrial relations	- Trade unions - Trade associations - Consortia	- Knowledge of economic trends and the needs of companies in the area - Dialogue and collaboration - Development of new growth opportunities	- Regular meetings with trade unions - Category events - Consortia and sector initiatives

Phase 1 thus led to the drafting of a **list of positive/negative, potential/effective impacts** to be assessed so as to consider both their absolute and relative significance.

2 [SUSTAINABILITY STRATEGY]

2.2 THE MATERIALITY ANALYSIS

PHASE 2: Impact assessment

The economic, environmental and social impacts identified in Phase 1 were initially assessed by **Group Management** based on characteristics defined by the GRI method, such as severity and likelihood. Severity was taken as an average of scale, scope and irremediability (the latter only in the case of negative impacts), evaluated in a range from 1 to 5; it was then multiplied by likelihood (evaluated from 0 to 1) in the case of potential impacts.

Following this initial analysis, we submitted a simplified assessment (with a range of values from 1 to 5) of the relevance of the impacts identified in phase 1 to a number of the Group's **stakeholders** (customers, suppliers, lenders and employees).

A total of 62 stakeholders were involved, with a 48% response rate.

4
Banks

21
Customers

24
Suppliers

13
Employees

The values obtained from their answers were then averaged, giving identical weights, to obtain a single relevance score for all stakeholders.

PHASE 3: Processing of results

The assessments made by the Group's management and stakeholders were **aggregated** in order to obtain an **order of priority** of the identified impacts, assessed with a score from 1 to 5 and a materiality threshold of 3. Results were aggregated by assigning greater weight to the assessments made by management than those made by stakeholders, in view of the information asymmetries affecting the operating environment.

We thus obtained the following **list of material topics**, which is an expression of the impacts identified. Where appropriate, some impacts were grouped for simplified reading purposes.

ISSUE	IMPACT	DESCRIPTION	
Business management	Customer satisfaction	The success of the Group's performance is determined by its customers' trust and satisfaction. This is why the Group is constantly striving to offer valuable, quality products and services, carefully monitoring customer satisfaction through specific management systems and continuous communications.	Core Downstream
	Responsible business management	The adoption of responsible business management methods is particularly important for the Group in view of the complexity of its business processes and the international scale of its activities: in this regard, specific policies and controls have been defined to promote its compliance with the principles of social responsibility.	Upstream Core Downstream
	Economic value creation and distribution (*)	The creation of economic value and financial equilibrium are essential conditions for ensuring business operations: the Group aims to achieve satisfactory economic/financial performance in order to adequately remunerate the risk taken by its share-holders and generate added value to be distributed to all stakeholders.	Core Downstream



ISSUE	IMPACT	DESCRIPTION	
Human capital protection	Protecting the health and safety of employees	Occupational health and safety is a fundamental aspect of personnel welfare management: the Group is committed to ensuring a working environment that complies with current regulations and pays attention to the adoption of responsible practices, inspired by national and international best practices.	Core
	Employee training and growth	The enhancement of human capital is essential for improving the quality of activities: the Group is committed to engaging employees and collaborators in the development of their skills and potential, periodically organising training activities at all organisational levels.	Core
	Fair remuneration of employees	Fair remuneration generates a positive strategic impact on the well-being of the Group's employees, who are offered incentive plans aimed at achieving excellence in their performances.	Core
	Equal opportunities and diversity protection	The establishment of appropriate policies and procedures to ensure equal opportunities is fundamental to the Group's activities to maintain a healthy, motivating and inclusive working environment, ensuring the fulfilment of every employee.	Core
	Psychological and physical wellbeing of employees	The Group considers the wellbeing of its employees as fundamental and aims to develop ways of managing and organising work that ensure a balance between their professional and private life, promoting employee retention and loyalty through specific policies and procedures.	Core
Climate change and ecological transition	Energy consumption	Conducting business has a negative impact in terms of energy consumption: the Group promotes the reduction of energy consumption and energy efficiency by constantly monitoring operations and supporting the improvement of supplier performance.	Core
	Generation of greenhouse gas emissions	The activities directly and indirectly related to the Group's business have a significant impact in terms of greenhouse gas emissions, particularly with regard to logistics management and procurement. The Group is committed to using renewable energy sources and is constantly monitoring emissions, promoting climate change mitigation actions throughout the value chain.	Upstream Core Downstream
Supply chain impacts	Environmental and social impacts related to suppliers of goods and services	The activities of suppliers of goods and services have significant, actual and potential environmental and social impacts. The Group promotes the adoption of responsible policies - inspired by national and international best practices - to protect the health and safety of workers and natural ecosystems, and strives to monitor the supply chain's commitment in this regard.	Upstream
Relationship with local communities	Local development and community relations	Paying attention to the development of relations and collaborations with the local area and community is a fundamental issue for the Group, not only in terms of distribution of the economic value generated thereby, but also in terms of social and cultural growth.	Downstream

(*) see "Methodological note"



2 [SUSTAINABILITY STRATEGY]

2.2 THE MATERIALITY ANALYSIS

The assessment carried out is **consistent** with the Group's context: its business model is in fact centred on project marketing and management without having particularly significant direct environmental impacts, based on the careful management of human capital and business practices (also with reference to the control of the environmental and social impacts of the supply chain).

In any case, **data collection and reporting** have been developed also for impacts that are not particularly relevant, such as water and material consumption or waste generation, in order to continuously monitor the Group's positioning in relation to all sustainability dimensions and systematise the completion of ESG questionnaires shared by stakeholders.

The double materiality assessment

In 2023, anticipating the requirements of the Corporate Sustainability Reporting Directive, a **preliminary double materiality assessment** was also carried out **for the first time** – involving management only – following the methodology introduced by the European Sustainability Reporting Standards (ESRS).

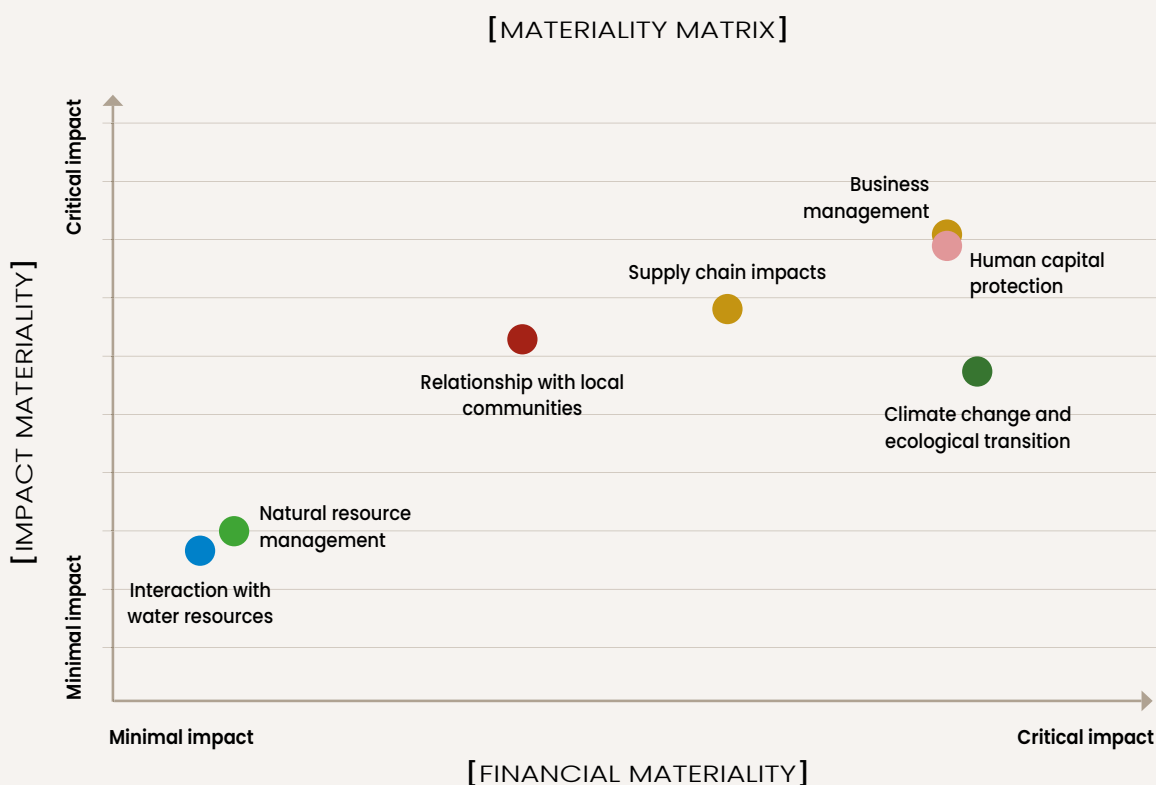
When assessing sustainability issues, the ESRS provides for the assessment of **impact materiality** and **financial materiality**:

- a sustainability issue is material for its impact when it concerns the **material impacts of an enterprise** – be they negative or positive, actual or potential – on people or the environment in the short, medium or long term; impacts include those related to the **operations** of the enterprise and the **value chain** upstream and downstream, including through its products and services and its business relationships; business relationships include those within the enterprise's value chain, upstream and downstream, and are not limited to direct contractual relationships;
- a sustainability issue is financially material when it has or can reasonably be expected to have **material financial effects on an enterprise**; this is the case when a sustainability issue generates risks or opportunities that have or can reasonably be expected to have a significant influence on the enterprise's development; **risks** and **opportunities** may arise from past or future events; the financial materiality of a sustainability issue is not limited to **aspects within the control of the enterprise**; rather it includes information on material risks and opportunities attributable to **business relationships** that are outside the scope of consolidation used in preparing its financial statements.

Therefore, the issues we identified in our Impact Materiality analysis carried out according to GRI Standards – along with other issues not relevant in terms of impact materiality – were analysed in terms of **financial materiality**, assessing the **extent** and **likelihood** of the possible financial effects associated with them (by defining specific critical scenarios).

The results of the assessment are set out in the following **double materiality matrix**.





In terms of Impact Materiality, the results are consistent with the GRI analysis; in terms of Financial Materiality, the most relevant issue as regards associated risks and opportunities is "**Climate Change and Ecological Transition**", followed by "**Business Management**" and "**Human Capital Protection**". This is consistent with the context of the CTA Group:

- the main reference market (Oil&Gas) is engaged in an ecological transition aimed at promoting the introduction of low greenhouse gas emission energy production technologies and thus **mitigate climate change**;
- the complexity of corporate processes and the international scale of the Group's business presuppose the definition of specific controls and procedures aimed at ensuring a **strong and effective governance** as well as compliance with **the principles of social and ethical responsibility**;
- the type of activities carried out require the careful **management of human capital** in relation to issues such as the training and development of human resources, along with the protection of their psychological, physical and economic well-being.

With respect to "Climate Change and Ecological Transition", the most relevant **risks and opportunities** were further examined:

2 [SUSTAINABILITY STRATEGY]

2.2 THE MATERIALITY ANALYSIS

- in any case, CTA is exposed to the **risk** that possible regulatory and political developments may further reduce its fossil fuel extraction and refining business. To mitigate this risk, CTA is engaged in a diversification process along 4 lines: (i) by geographical area ■■■ regulations have a local character; (ii) by segment ■■■ the portfolio of activities is balanced between design and distribution; (iii) special attention is paid to the maintenance of production sites, rather than to the launch of new sites; and (iv) focus is placed on entering markets served by different technologies.
- Developments in tax regulations such as the CBAM represent a **risk**, in so far as we might witness a reduction in the traded price of steel from outside the EU. The tax legislation will have gradual impacts and might cause more significant changes in the long run than the current ones between EU-produced and imported steel prices; CTA will be ready to handle this issue by working on the careful diversification of supplies and the constant monitoring of the Scope 3 carbon footprint to build reliable impact scenarios in advance.
- Specialising in the new structural pipes business represents an **opportunity** to mitigate exposure to the climate risk, as it opens CTA up to new markets: structural pipes are used in wind power plants or civil construction projects and not in fossil fuel extraction projects; in particular, green energy production incentive policies should favour the growth of this market in which CTA is interested in investing;
- Finally, the stimulation of hydrogen-based energy production represents a further **opportunity** for CTA: the incorporation of the subsidiary Vision2H allows the Group to focus specifically on a fast-growing market and to follow its evolution in different manners: at strategic level (joining tables and organisations), commercial level (inclusion of hydrogen synthesis tube distribution) and operational level (establishment of Vision2H with specialised partners).

2.3 THE 2030 AGENDA AND THE SDGS

The need to achieve economically, socially and environmentally sustainable development has taken the shape internationally of the 2030 Agenda for **Sustainable Development**.

The Agenda was signed in September 2015 by 193 countries, including Italy, and aims to lead the world on a more sustainable path with the definition of 17 **Sustainable Development Goals (SDGs)** to be achieved by 2030.



The goals are divided into 169 targets and over 240 indicators: their particularly ambitious nature calls for a **joint effort** on the part of all stakeholders in the world's economies, i.e. not only gov-ernments and institutions, but also companies which, through their business, have the oppor-tunity to positively influence the area in which they operate.

Over the past few years, the CTA Group has gained **awareness** of the need to ensure the econom-ic, social and environmental sustainability of its business and to evaluate itself against the Sus-tainable Development Goals, in order to understand what the **targets** are for the business in which it currently operates.



The main SDGs for the Group are listed below:

SDG	RIFERIMENTI
	Ensure equal rights and equal employment opportunities, regardless of gender.
	Ensure access to affordable, reliable, sustainable and modern energy for all.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
	Ensure sustainable consumption and production patterns.
	Take urgent action to combat climate change and its impacts.

3 [ENVIRONMENTAL]

RESPECT OF THE ENVIRONMENT

Operations are carried out in full **respect of the environment**, with a commitment to reducing impacts and to sustainably using natural resources: this is why the Group's main companies - CTA S.p.A, Raccortubi S.p.A. and Tecninox Srl - have Environmental Management Systems in place, implemented in compliance with the requirements of the **ISO 14001** standard and gov-erned by specific **environmental policies**, whose practices are used as a reference for process management by all the other subsidiaries.

3.1 ENERGY CONSUMPTION

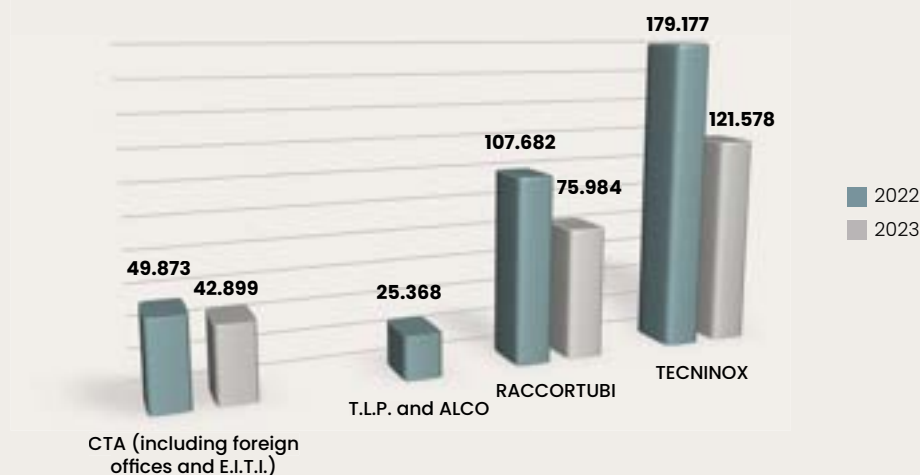
The proper management - and possible reduction - of **energy consumption** is a key issue in order to achieve a **double benefit** deriving from reduced operating costs and reduced direct green-house gas emissions (Scope 1 and 2).

With regard to the **activities** carried out by the Group, energy consumption is attributable to:

- the consumption of gas and electricity to ensure the operation of **offices** and **warehouses** (in which minor work is carried out);
- the consumption of fossil fuels for the company's **vehicle fleet**;
- the consumption of gas and electricity for **processing** carried out at **Tecninox**, such as cold pressing/bending and preliminary and secondary processing.

With respect to these types of consumption, the following **data**¹ were recorded in **2023**:

[GAS CONSUMPTION (SCM) - 2022/23]



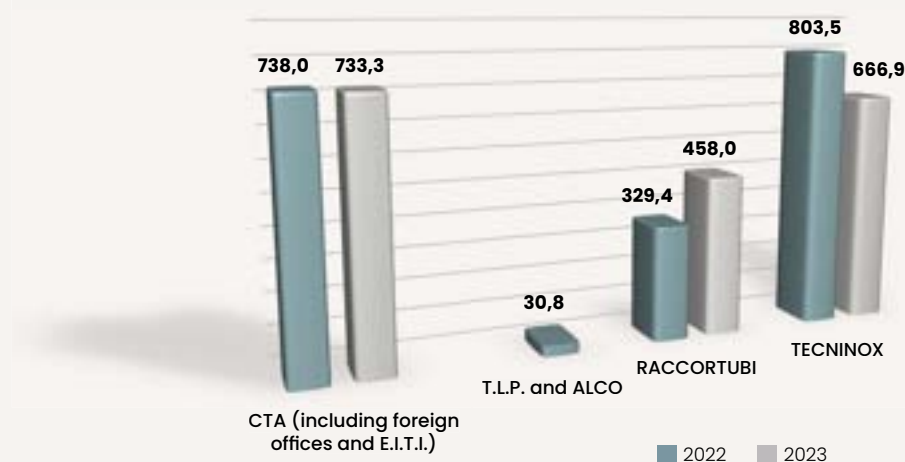
As we can see, the most relevant gas consumption is attributable to **processing** at **Tecninox** such as heat treatment in furnaces - carried out for certain types of products - while the gas consumption of the other companies is attributable to **heating**; in Raccortubi and Tecninox there was a significant reduction between 2022 and 2023 as a result of the **reorganisation** of consumption and the **reduction of workloads**.

As far as electricity consumption is concerned, this is mainly attributable to our **warehouses** and **offices** in Grugliasco, Grezzago and Marcallo and to the Tecninox **facility**.

¹ Data on gas and electricity consumption are not available for TLP offices (costs are included in the building lease) and ALCO's operational facilities (compared to 2022).



[ELECTRICITY CONSUMPTION (kWh) – 2022/23]



At the first two sites, consumption was stable between 2022 and 2023, while it **significantly changed** at the other two sites as a result of the restoration of their **air-conditioning systems** (with the consequent return of a significant part of the workforce to the office) and the **decrease in workloads**, respectively.

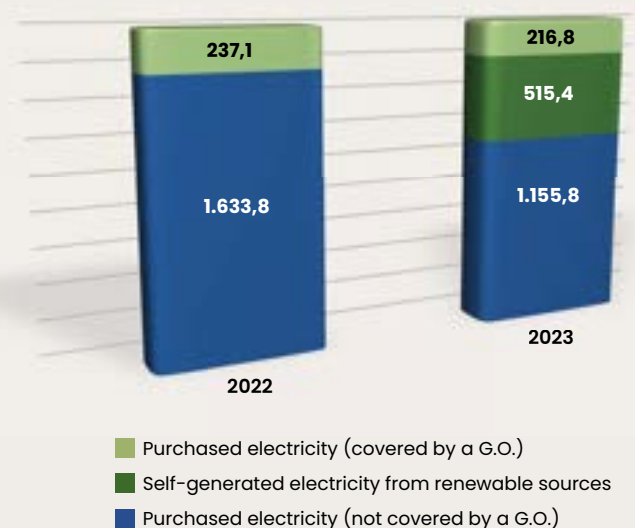
Overall, the **management** of energy consumption is based on:

- **controls over the efficiency** of the technical equipment used and the possible adoption of **corrective measures** (e.g. the recent replacement of room lighting lamps with new LED lamps in Grugliasco and Sarmato);
- **rationalisation** of gas and electricity consumption at each operational site;
- **supply from renewable sources** certified with Guarantees of Origin as regards CTA S.p.A. consumption (equal to about 500 MWh per year excluding self-consumption from photo-voltaic systems);
- installation of **photovoltaic plants** in Grezzago and Grugliasco to ensure the generation of electricity and obtain both an economic and environmental advantage, with greater autonomy and stability with respect to possible cost fluctuations;
 - the plant in Grezzago has a production capacity of approximately **215,000 kWh per year** and covers - in full self-consumption - approximately **60%** of the consumption of the entire site, with seasonal phases of excess production and consequent transfer to the grid;
 - the plant in Grugliasco (the subject of an approximately EUR 2 million investment) has been completed and is expected to ensure a production capacity of approximately **221,000 kWh per year**, covering - in full self-consumption - approximately **60%** of the consumption of the entire site. The connection procedure, which began in 2023, is expected to be completed by the financial year 2024.

3 [ENVIRONMENTAL]

3.1 ENERGY CONSUMPTION

[ELECTRICITY CONSUMPTION (MWh) – 2022 VS 2023]



**data on ALCO's electricity consumption for 2022 are not available; in 2023, it amounted to 30 MWh*

3.2 GREENHOUSE GAS EMISSIONS

The CTA Group is committed to **contributing** concretely – by taking steps to **reduce** directly and indirectly generated **greenhouse gas** emissions – to the objectives defined within the Paris Agreements – which envisages the commitment to holding the increase in the global average temperature to **below 2°C** by the end of the century – and the objectives defined by the European Union, which correspond to the achievement of **climate neutrality**² by 2050, with an intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

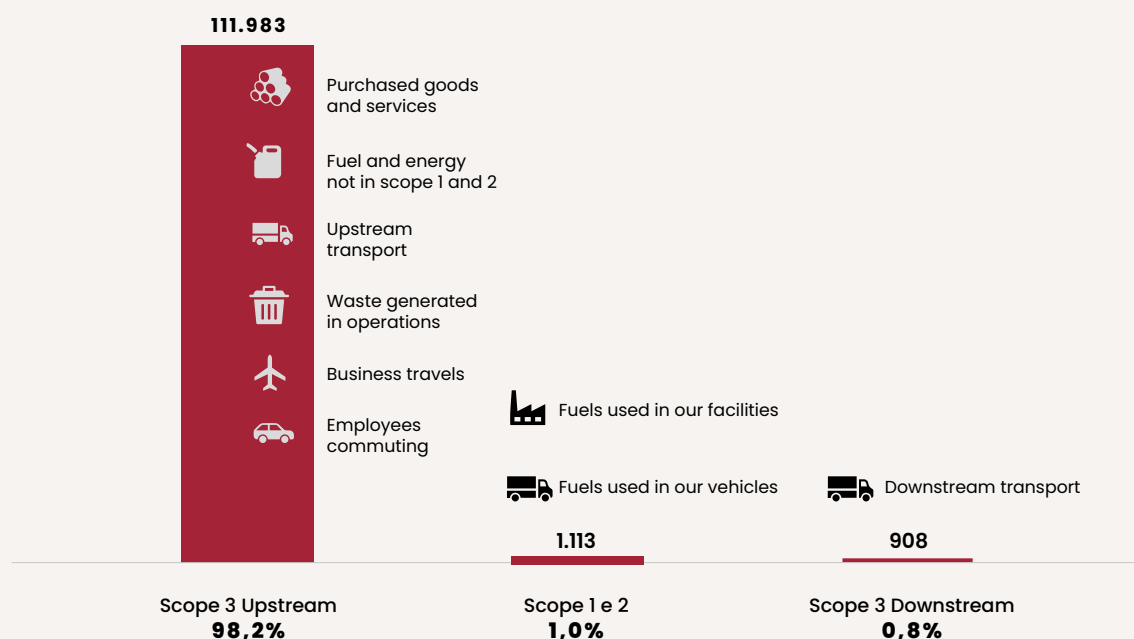
For this reason, in **2022** we began **quantifying** and **monitoring** greenhouse gas emissions (GHGs) generated by CTA and TLP in accordance with the standards of the **GHG Protocol**, making a preliminary **estimate** for 2021 and obtaining the Carbon Footprint **certification** for 2022 (as per ISO 14064).

In view of the **enlargement of the scope** of reporting in the Sustainability Report, in **2023** the operating sites of **Raccortubi** and **Tecninox** were also included in the calculation – certified according to the ISO reference standard for CTA and TLP – to ensure more detailed reporting and to assess any changes in terms of the most relevant categories for the Group's CFO.



The results relating to the Group's **Carbon Footprint** are set out below.

[DISTRIBUTION OF GREENHOUSE
GAS EMISSIONS (TON CO₂e) – 2023, LOCATION BASED]



²The balancing condition between GHG emissions generated by anthropogenic activities and GHG emissions removed from natural or anthropogenic carbon sinks.

As the chart shows, despite the enlargement of the calculation scope (with the inclusion of the Tecninox production site), Scope 1 emissions, i.e. emissions directly generated by the Group in the course of its operations, and Scope 2 emissions, i.e. emissions indirectly generated by the production of electricity consumed, are minimal compared to the overall Carbon Footprint (1%).

This is due to the conformation of the Group's business model, which – despite the recent integration of the Tecninox production site – is mainly characterised by the supply of technical consultancy and trading services in the steel products market; indeed, the CFO is 99% scope 3 emissions, i.e. indirect emissions mainly associated with:

- the production of purchased goods, accounting for approximately 92% of emissions, due to the fact that steelmaking processes are particularly energy-intensive and are therefore responsible for the release of considerable amounts of greenhouse gas emissions;
- logistics (overland and by ship), accounting for approximately 7% of emissions, in respect of which we are already constantly committed – with specific objectives assigned to first line managers – to optimising goods handling in order to obtain also an economic advantage.

3 [ENVIRONMENTAL]

3.2 GREENHOUSE GAS EMISSIONS

Despite the limited potential for action in terms of climate change mitigation highlighted by the CFO results, the following Scope 1 and 2 emission reduction initiatives have been implemented in recent years:

- implementation of energy efficiency measures – such as the revamping of the Grugliasco and Sarmato sites – and dissemination of good practices for the rationalisation of energy consumption;
- construction of photovoltaic systems for power self-generation at the Grezzago and Grugliasco sites (whose new warehouse is already fitted for the possible installation of a photovoltaic system);
- supply of electricity from certified renewable sources with Guarantees of Origin in order to zero Scope 2 emissions from the Grugliasco, Grezzago, Padua and Genoa sites;
- appointment of a mobility manager for the definition of a Home-Work Travel Plan (scheduled for 2024).

3.3 USE OF MATERIALS

The operations carried out by the Group have a **limited direct impact** in terms of material consumption, which is nevertheless detected and mapped in order to verify the **positioning** of each operational area and assess any **significant trends**.

Such impact is mainly attributable to:

- the management of **warehouses**, which mainly involves the consumption of wood, paper and cardboard, plastics, polyester and paints for the packaging and marking of marketed products;
- the **production** activity of Tecniinox, which mainly involves the consumption of hydrogen peroxide and acid for pickling, polymers for painting, oils, paper and cardboard;
- the operations of offices, which mainly involve the consumption of paper and other stationery.

In this respect, the following consumption was recorded in **2023**.

[MATERIAL CONSUMPTION (Kg) – 2023]



As we can see from the graph on the previous page, the most important consumptions in quantitative terms are the consumption of **wood, polyester, plastics, paper** and **cardboard** for warehouse management activities, such as handling and packaging pipes, fittings, flanges and valves.

To **improve** the management of material consumption, the use of **certified** and **recycled** materials for packaging and the adoption of good practices for the recovery and reuse of supplier **packaging** are promoted throughout the Group – where possible in view of the need to comply with specific technical requirements; **initiatives** are also taken to reduce the use of **plastic** – particularly in offices – and to monitor the volumes of **steel** coming from recycling compared to the total volumes traded annually.

Furthermore, in order to innovate our product range in a sustainable manner, the Group has started considering the option of including innovative Net Zero emission steel pipes into its catalogue; this is expected to be done in the course of 2024, in order to better serve the most demanding customers on environmental issues.

3.4 WASTE MANAGEMENT

The **correct management** of waste generated by the Group's operations is an issue to which particular **attention** has always been paid, following the principles of **prevention** and **reduction** wherever possible. In this respect, specific controls have been defined in the most exposed operating areas within the framework of certified ISO:14001 Environmental Management Systems, which allow for the constant **monitoring** of the quantities of waste produced and the respective management methods, periodically verifying compliance with the **regulatory requirements** in force.

In **2023**, the following **data** were recorded on the composition of waste and its treatment (the graph shows the main categories of waste).



As we can see from the graph, the most relevant waste categories in terms of quantity are:

- **wood packaging**, due to packaging received from suppliers that is no longer reusable;

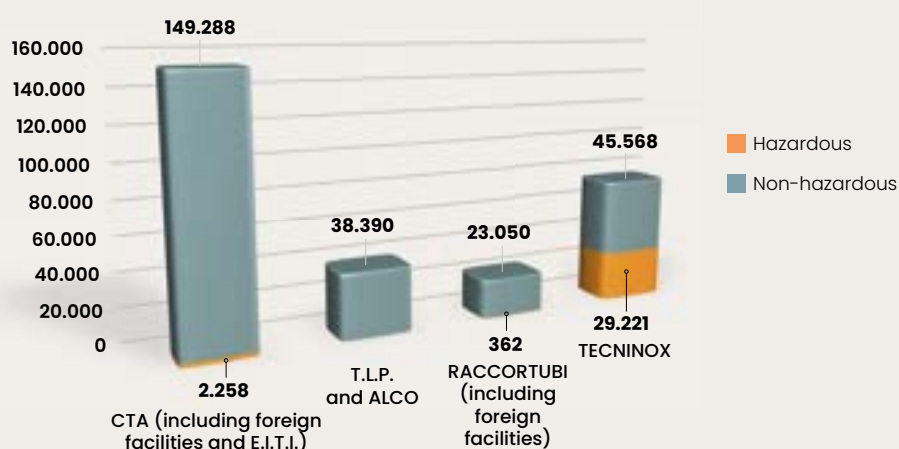
3 [ENVIRONMENTAL]

3.4 WASTE MANAGEMENT

- **iron and steel**, coming from production waste or inventories (e.g. non-conforming products);
- **filing flakes and dust from non-ferrous materials**, to be traced back to Tecninox.

By grouping the companies into **4 operating macro-divisions**, the figures for 2023 are distributed as follows.

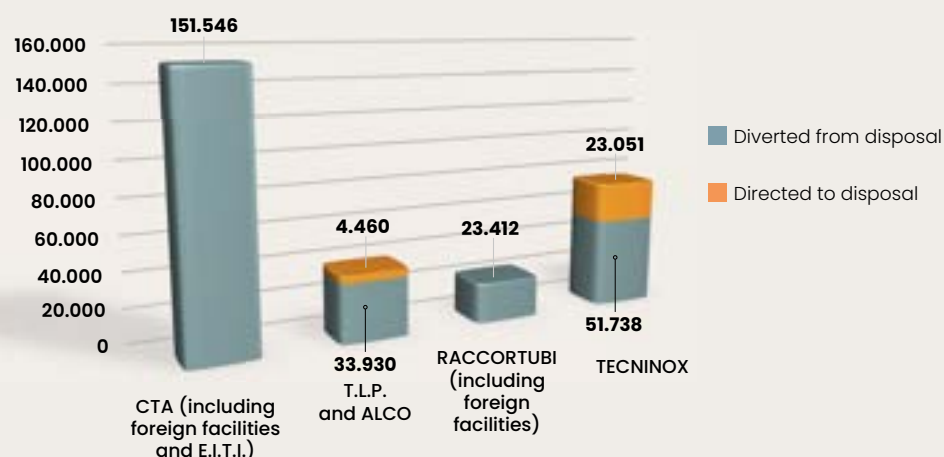
[QUANTITY OF WASTE PER OPERATING MACRO-AREA (Kg) – 2023]



Overall, the amount of waste produced is of **small quantity**, since the total figure does not exceed 250 tonnes. Most waste (approximately 86%) falls into the category of **non-hazardous waste**, which is consistent with the Group's type of business; in fact, almost all of its **hazardous waste** is attributable almost exclusively to the production of **Tecninox**, which is ancillary to the Group's business.

By virtue of this qualitative composition, **approximately 90%** of the waste produced by the Group is **reused, recovered or recycled**; waste disposal concerns almost exclusively hazardous waste produced by Tecninox operations.

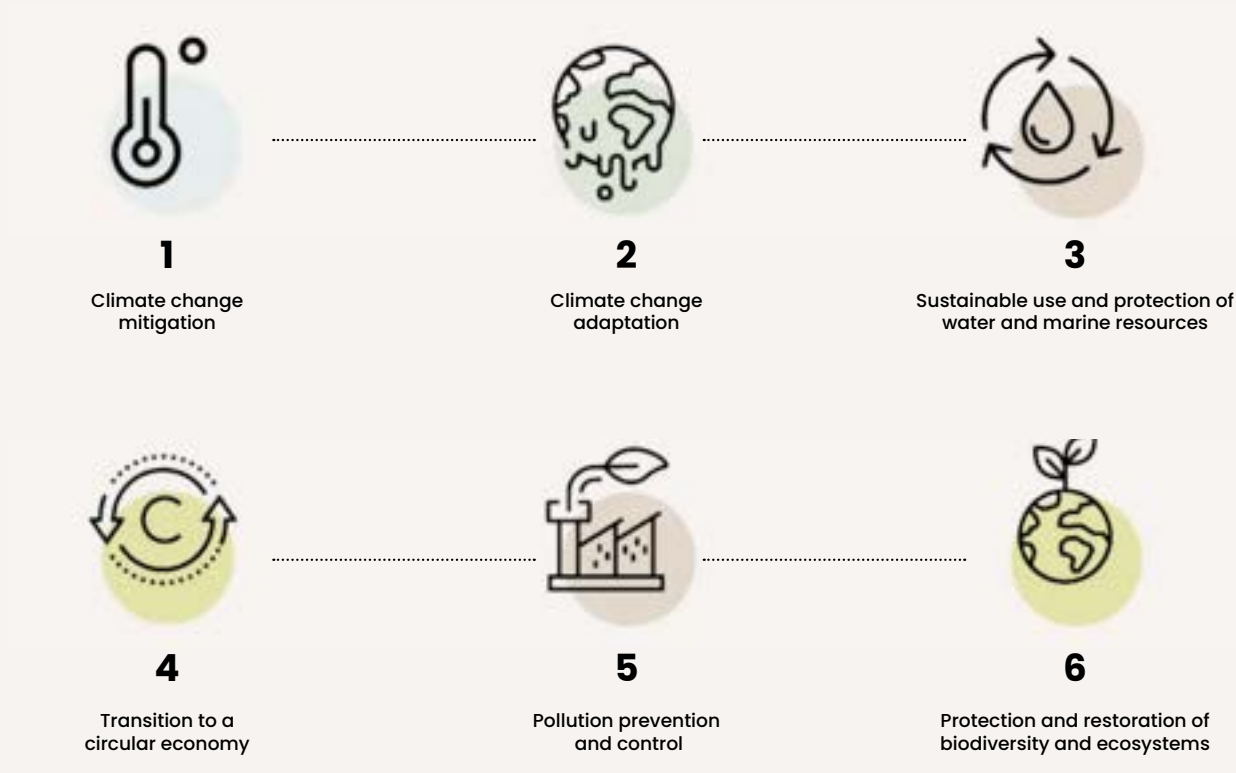
[QUANTITY OF WASTE PER OPERATING MACRO-AREA (KG) – 2023]



With respect to waste management, the Group is committed to promoting **good practices** that include the principles of **reduction**, through both structural and operational efficiencies in the way activities are carried out, and **recovery**, through the re-introduction of certain types of waste into production cycles (e.g. iron and steel), thereby obtaining also an economic benefit.

3.5 ENVIRONMENTAL TAXONOMY

The EU Environmental Taxonomy, introduced by **EU Regulation No 2020/852**, is one of the foundations of **sustainable finance**. The regulation lays down criteria for determining whether an economic activity can be considered **environmentally sustainable**, i.e. whether the activity is aligned with one of the EU's **six environmental objectives** illustrated in the figure below.



The Environmental Taxonomy is designed to **direct** and **facilitate the financing** of economic activities in line with the objectives of the European Green Deal.

3 [ENVIRONMENTAL]

3.5 ENVIRONMENTAL TAXONOMY

According to EU guidelines, the Taxonomy alignment strategy is a process that takes place in **two stages**:

1. the company must identify its **eligible economic activities**, i.e. those that correspond to the activities included in the list of "environmentally sustainable" economic activities es-tablished in the Taxonomy delegated acts;
2. the company must narrow down the list to identify activities that meet the eligibility criteria and are in line with the **sustainability requirements** and **technical screening** criteria es-tablished by the Taxonomy.

The CTA Group acknowledges the important role of the EU Taxonomy as a **classification and transparency tool** to help companies achieve their sustainable development goals.

For this reason, in 2023 it launched its gradual **alignment to the Taxonomy**, identifying its economic activities that might be considered "**eligible**" and thus potentially aligned with one or more environmental objectives.

To this end, a **preliminary screening** was completed to assess the correspondence between the activities classified in the Taxonomy and the economic activities carried out by each Group company: this analysis revealed a **correspondence** with activity "3.2 Manufacture of equipment for the production and use of hydrogen" – listed in the delegated acts relating to the objectives of climate change mitigation and adaptation – which is consistent with the development objectives of the start-up Vision2H; the activities of distribution and project management – which are the Group's core business – do not, on the other hand, currently appear to be eligible activities, i.e. such as to **substantially contribute** to the European Union's environmental objectives.

This eligibility analysis will be used in the coming years to assess the **potential alignment** of the listed eligible activity, possibly demonstrating its full adherence to the Taxonomy requirements.





4 [SOCIAL]

4.1 PEOPLE IN THE CTA GROUP

The CTA Group acknowledges that human resources are a **fundamental** and **indispensable** component in the pursuit of its business and the optimal management of its services.

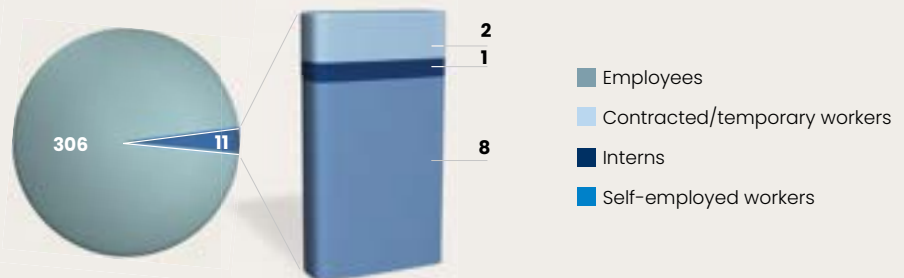
For this reason, it continuously strives to **protect** and **value** human capital, with the aim of ensuring the **wellbeing** of employees and enhancing their **skills** in a positive and inclusive working environment.

In 2023, with the acquisition of the Raccortubi Group, the CTA Group significantly **expanded** its workforce and took on the challenge of integrating the skills and characteristics of the people working in its various companies, creating a cohesive team with a great **sense of belonging**.

4.1.1 HUMAN RESOURCES

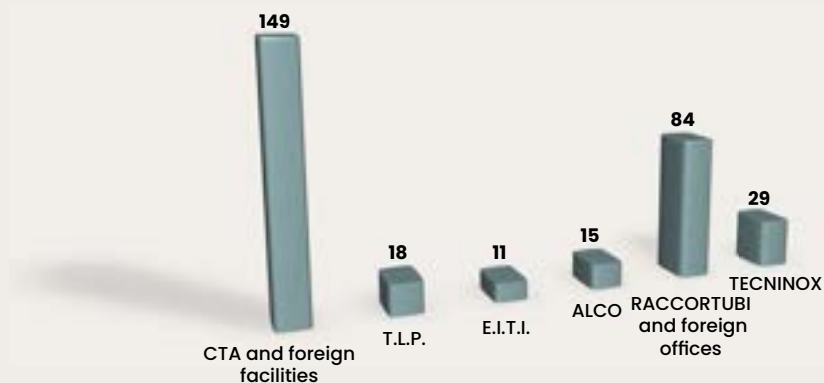
Compared to 2022, the acquisition of the Raccortubi Group meant that more than **100 people** joined the CTA Group. In 2023, the Group's activities were therefore carried out by a workforce consisting – as at 31.12.23 – of **306 employees** and 11 non-employees, as shown in the chart below.

[NUMBER OF EMPLOYED AND NON-EMPLOYED PERSONS – 2023]



With respect to the various **companies** of the Group, the workforce in 2023 was distributed as follows.

[BREAKDOWN OF EMPLOYEES BY COMPANY – 2023]

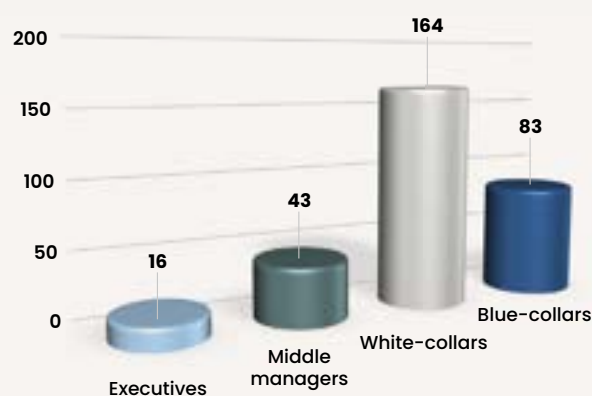


In 2023, **more than 70%** of the Group's total number of employees were white-collar workers, middle managers and executives, in line with the Group's **distribution** and **design** activities.



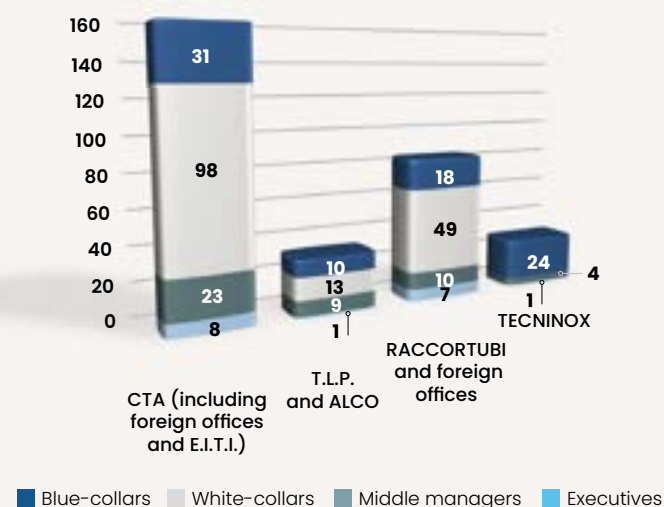
However, compared to 2022, as a result of the acquisition of the Raccortubi Group, the number of **blue-collar workers** increased considerably – in absolute terms – **from 41 to 83**, mainly due to the introduction of the **Tecninox** production company. In relative terms, the blue collar component remained stable, with the ratio rising from **21%** in 2022 (pre-acquisition figure) to **27%** in 2023 (integrated figure).

[BREAKDOWN OF EMPLOYEES BY CLASSIFICATION – 2023]



The graph below **breaks down** the number of employees and their **classification** by company.

[BREAKDOWN OF EMPLOYEES BY CLASSIFICATION AND OPERATIONAL MACRO-AREA – 2023]



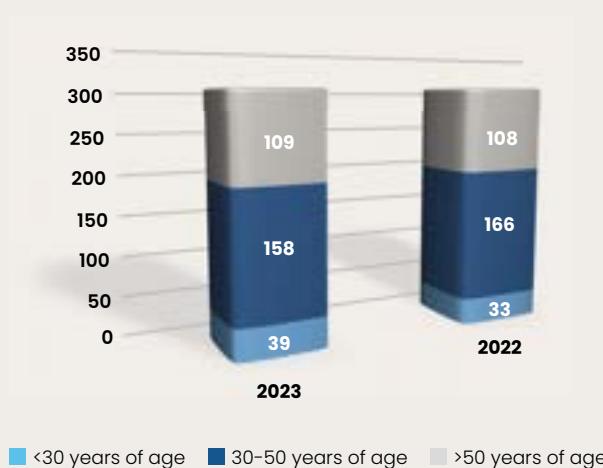
All senior managers of foreign branches are conventionally considered "executives", even where there is no exact correspondence with the Italian classification. In terms of age group distribution, roughly

4 [SOCIAL]

4.1.1 HUMAN RESOURCES

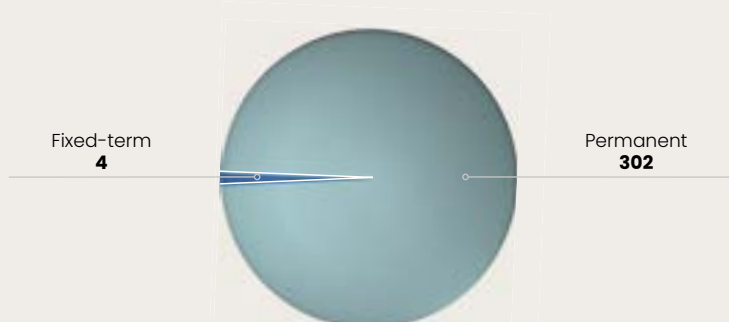
half of the Group's employees fell in the "30–50 years of age" bracket in 2023, in line with the 2022 trend. The large number of employees over 50 is indicative of the Group's ability to value the **experience** of its human capital as an important **asset** for the success of its business.

[DISTRIBUTION OF EMPLOYEES BY
AGE GROUP – 2022/23]



With regard to the management of labour relations, each Group company promotes the creation of a **stable and long-lasting relationship** with its human resources: this commitment is demonstrated not only by the activities proposed for the development and well-being of staff (described in chapters **Development and Training** and **Wellbeing & Inclusion**) but also by the following indicators calculated at a consolidated level.

[NUMBER OF EMPLOYEES BY
CONTRACT TYPE – 2023]



In 2023, **99%** of the employees were **permanent employees**, in line with the 2022 trend. The **turnover rate³** was **4%**, down from the previous year's **7%**.

³(Number of employees who left the company in the year/total number of employees)

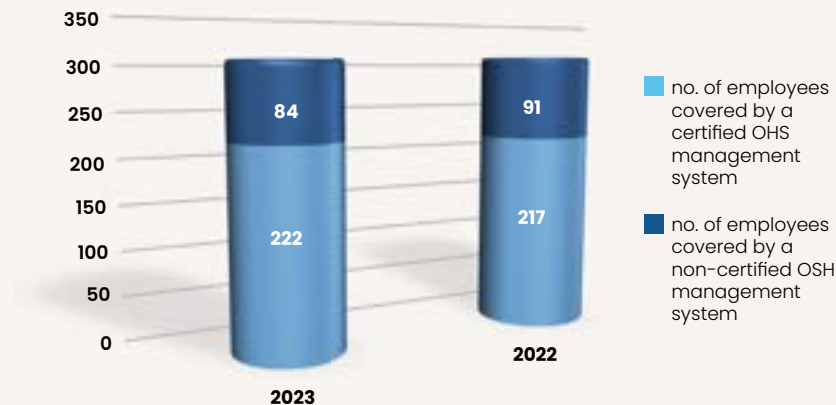


4.1.2 HEALTH AND SAFETY

Individual **physical integrity** is an **ethical principle** of absolute importance to the CTA Group, which is committed to ensuring that all employees enjoy a working environment characterised by optimal **safety** and **health** conditions and to promoting a widespread **culture** of safety and **awareness** of work-related risks, requiring responsible behaviour and compliance with occupational safety **procedures** at all company levels.

In **all Group companies** – for the two-year period 2022/23 – **Health and Safety Management Systems** were in place to protect all workers: in the operating areas exposed to **higher risks** (such as the Tecninox production facility and the CTA and Raccortubi warehouses in Grugliasco, Grezzago, Marcallo and Aberdeen), these controls were in compliance with the regulations set forth in the international **ISO 45001** standard, recognised as a best-practice in this field; in the operational areas exposed to reduced risks, these safeguards were prepared in compliance with **legislative requirements** whilst also referring to ISO standards.

[NUMBER OF EMPLOYEES COVERED BY
AN OSH MANAGEMENT SYSTEM – 2022/23]



By defining specific **roles**, **responsibilities** and **procedures**, these systems allow us to:

- prepare and maintain up-to-date **risk assessment documents**;
- improve our ability to **monitor** risks in order to eliminate them or, where this is not possible, to minimise them in relation to the knowledge gained from technical progress;
- regulate the **maintenance** of areas, equipment, facilities;
- verify **legislative compliance** and reduce the risk of administrative and criminal sanctions;
- **schedule** prevention as well as information and training for executives and all personnel;
- achieve **greater efficiency** by reducing injuries and lost time in production.



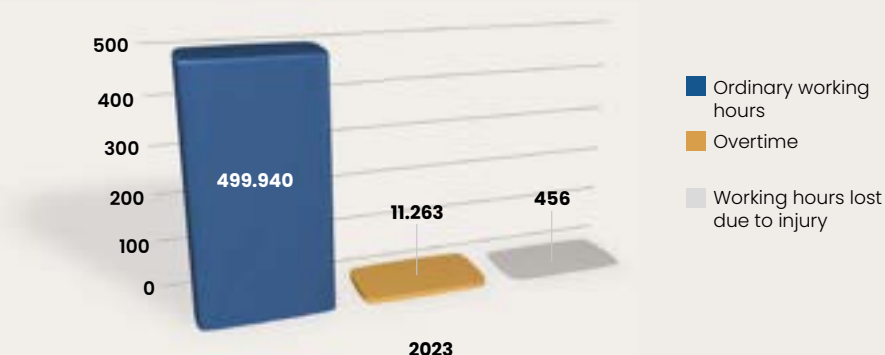
4 [SOCIAL]

4.1.2 HEALTH AND SAFETY

In 2023, **4 accidents** were recorded (2 at CTA, 1 at Tecninox and 2 at ALCO), **down** from the 7 of 2022; none of the accidents that occurred in 2022/2023 involved serious consequences or deaths. Moreover, during the same period no cases of occupational disease were recorded.

The graph below gives **details of the hours worked** in 2023 at Group level.

[BREAKDOWN OF WORKING HOURS – 2023]



The **accident rate** at Group level – calculated as $(\text{number of accidents} / \text{total hours worked}) * 1,000,000$ – was **7.8** in 2023.

Compared to 2022, there was a **decrease in hours lost** due to accidents, from 485 to 456 (equivalent to 57 working days), **in line** with the decrease in the number of accidents.

With a view to **continuous improvement**, the main objective for 2024 is to achieve zero accidents at Group level, with the **harmonisation of practices** between the various companies (especially the new ones in the Raccortubi Group) in terms of monitoring, assessing and managing risks to workers' health and safety.

4.1.3 DEVELOPMENT AND TRAINING

The **wellbeing** and **development** of human capital are fundamental to ensuring the **success**, competitiveness and **development** of the CTA Group in the medium to long term.

For this reason, adequate **development opportunities** are offered to all employees, with the involvement of each resource in a process of skills and competence development and the promotion of **training** and **information** activities at all organisational levels.

Starting with the **search** and **selection** of candidates, the human resources management process is carried out internally within the Group. To foster acceptance and integration, both at organisational level and in terms of professional culture, new resources are introduced to their role in each Group



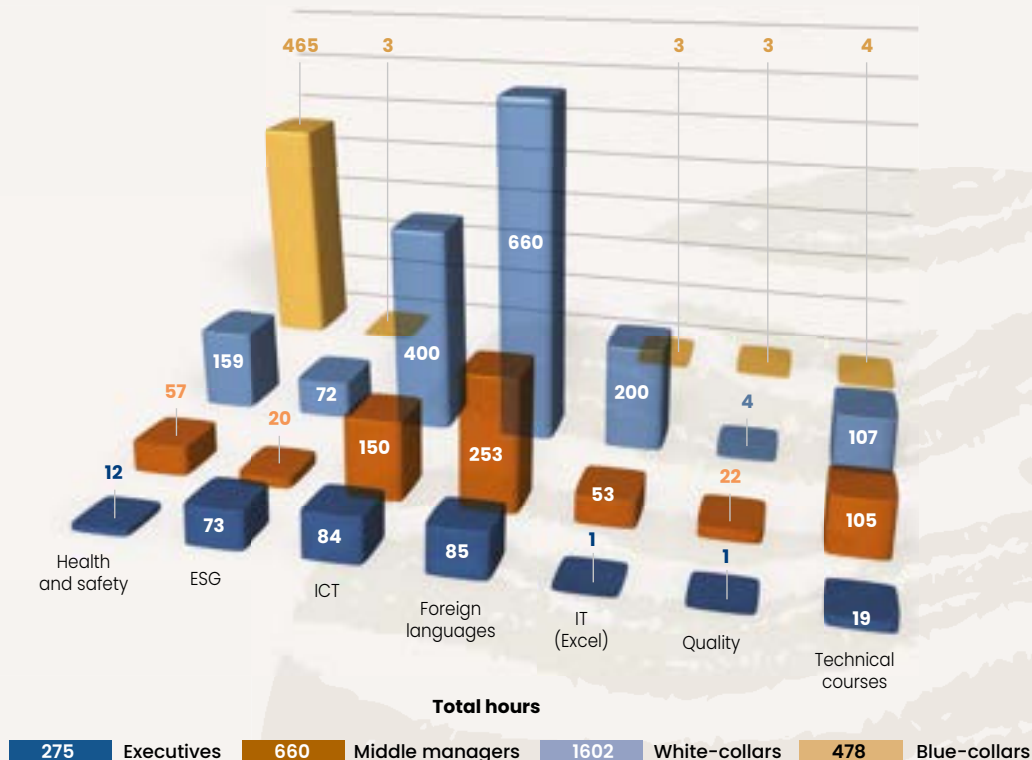
company by means of **integration procedures** involving the presentation of:

- their role, expected responsibilities and key figures to refer to;
- how to use systems and tools,,
- QHSE management systems (with related mandatory OSH training),
- company regulations, principles and codes of conduct.

Each resource is then involved – in **different ways** depending on their experience and professional skills – in a process of continuous **skill development** through **learning on the job** and periodic participation in specific **training courses**, for which **annual plans** are prepared in each company so as to strengthen the technical and transversal knowledge of workers and update working methods. The training provided to employees is organised and managed both **in-house** and with the help of **external consultants**, e.g. language courses and courses on the use of IT resources; some training courses are also organised periodically by the **manufacturers** of the materials marketed.

Overall, in **2023** more than **3,000 hours** of training were provided to Group employees, broken down as shown in the graph below.

[BREAKDOWN OF TOTAL TRAINING HOURS – 2023]



Most training hours in 2023 covered **health and safety** issues – with respect to which there was

4 [SOCIAL]

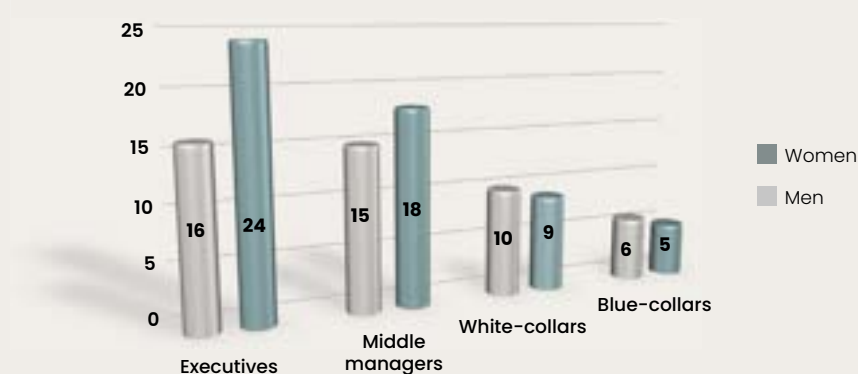
4.1.3 DEVELOPMENT AND TRAINING

a constant commitment in all Group companies, also with reference to maintaining **ISO 45001** certification in the most critical operational areas -, **foreign languages, technology** and **ICT** technologies.

Health and safety training is intended almost exclusively for blue-collar workers, while all other types of training courses - of a more technical nature - are intended for white-collar workers, middle managers and executives, who make up more than 70% of the Group's workforce.

With respect to **occupational category** and **gender**, training data do not show any particularly significant differences and break down as follows.

[TRAINING HOURS PER CAPITA BY OCCUPATIONAL CATEGORY AND GENDER - 2023]



The human resources growth and development process also envisages a periodic **assessment** of workers' performance and results, which may be either **individual** or **collective** (in relation to business objectives and continuous improvement objectives defined within ISO management systems); where the assessment is of an individual nature, it is carried out with a **different degree of formalisation** depending on the worker's duties.

Such performance assessment is carried out in each company at least annually and is aimed both at identifying **areas for improvement** in the management of the activities of each employee and each business unit, and at gathering feedback to plan any corrective actions aimed at achieving greater organisational and operational **efficiency**.

Lastly, employee **development** is ensured throughout the Group by its continuous commitment to promoting **internal mobility** to reach **senior positions**, so as to empower employees and increase their skills with a view to maintaining and enhancing the company's **know-how**.

Executives are offered **incentive policies** that reward the achievement of corporate and/or individual targets; in the latter part of 2023, during the annual target allocation process for the following financial year, an ESG target was identified and assigned to the Managers' group.



An example of the Group's ongoing commitment to the involvement and development of human capital is the **Induction Project**, implemented in November 2023 as the first **consolidated initiative** and described in detail in the box below.

Induction Project

In 2023, the Induction Project was implemented, namely a two-day event during which the re-resources hired in 2021/2022 by CTA, Raccortubi and T.L.P. – about 30 people – met company management and new colleagues and worked together, sharing their ideas, expectations and values.

The project was intended to lay down the foundations for effective collaboration and collective growth, to the benefit of the Group's long-term success.



Results

- Effective On-Boarding
- Strategic Collaborations
- Inclusion and Development

4.1.4 WELL-BEING AND INCLUSION

The CTA Group pays constant attention to the **inclusion** and **wellbeing** of each and every resource, to enhance their sense of belonging and ensure a **positive** and **welcoming** working environment, in which employees can develop their full **potential**.

As far as **D&I issues** are concerned, **principles of conduct** against any form of discrimination are promoted in all Group companies and in all corporate activities, through specific documentary references such as policies and regulations (e.g. Code of Ethics) or through institutional communication, taking into account the cultural and legal peculiarities of each country. The implementation of these principles is **monitored** by HR managers and Management, which can take measures and sanctions in the event of **violations** of company rules.

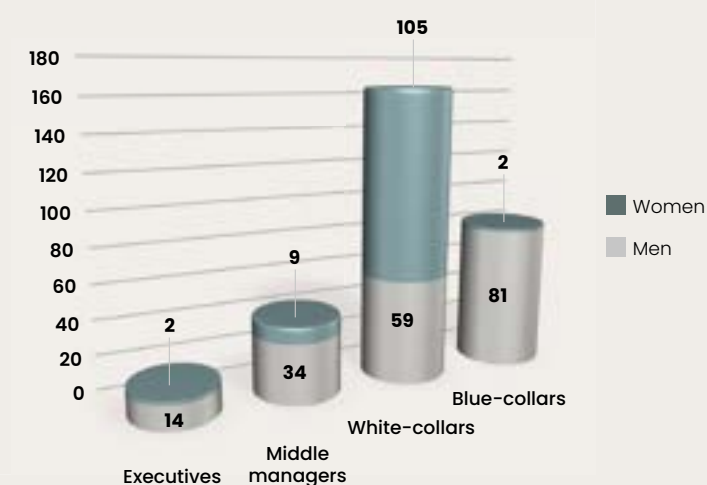


4 [SOCIAL]

4.1.4 WELL-BEING AND INCLUSION

With respect to gender diversity, **approximately 40%** of the CTA Group's employees are **female**: the distribution by professional classification and gender represented in the graph shows a clear prevalence of women in **clerical roles**, with a smaller participation at management levels

[BREAKDOWN OF EMPLOYEES BY CLASSIFICATION AND GENDER – 2023]



In particular, when considering **Executives** at the consolidated level, this meaning the first and second organisational levels below management and control bodies (Board), the following figures are recorded:

Diversity Executives	Group - 2023	
	Number	%
Men	59	65.6%
Women	31	34.4%
TOTAL	90	100%

The Group's commitment to diversity and inclusion can also be seen in the **day-to-day running** of operations: every day, multiple cultures collaborate between the Group's 16 offices located in **Europe, South America, Middle East** and **Asia**.



In this regard, on the occasion of the Annual General Meeting 2023, Chairman Pollastrini emphasised the need to increasingly adapt the **working method** to an **international outlook** and to dialogue between cultures, to improve the **relationships** both inside and outside the Group and to compete and meet the needs of an international clientele.

CTA Group: from Italo-centric to international

- *Being open to cultural differences*
- *Overcoming the invisible barriers that divide our world*
- *Enhancing cultural diversity respect for individual differences*
- *Identify what makes our culture different from others in order to open up to understanding*

Starting from the similarities

As regards the **psychological and physical well-being** of employees, the Group companies' commitment covers the following dimensions:

- in case of job compatibility, the option of **part-time contracts** for employees requesting them for personal reasons; in this respect, the following graph shows the relevant figures in the 2022/23 period;

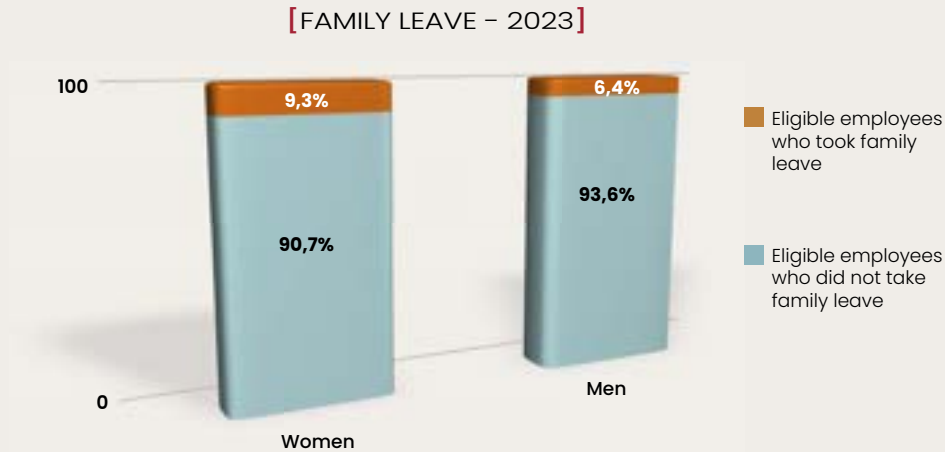
[BREAKDOWN OF EMPLOYEES BY
TYPE OF CONTRACT - 2022/23]



4 [SOCIAL]

4.1.4 WELL-BEING AND INCLUSION

- the possibility for employees, which is 100% guaranteed, to take **family leave**; in 2023, family leave was requested and granted to **7.5%** of the Group's employees, as shown in the following chart;



- in case of job compatibility, the option of **smart working** and **flexible hours** to foster a better work-life balance;
- the implementation of **medical prevention campaigns**; in fact, health prevention initiatives were promoted during the year in the Group's main companies through **screenings** and **awareness-raising campaigns**; in particular, in 2023 the employees of CTA, TLP, Raccortubi and Tecninox participated in LILT (Lega Nazionale per la Lotta contro i Tumori, National Association for the Fight against Cancer) programmes;
- the provision of listening and assistance counselling as **psychological support**, as well as the assessment of the **work environment** and any work-related stress situations;
- the offer of **welfare benefits** to strengthen the economic well-being of employees and support parenthood.

4.2 CUSTOMERS

For the CTA Group, customer relations are based on values such as **professionalism**, **efficiency** and **quality**, as well as on its intention to ensure utmost **satisfaction**, trying to anticipate every possible need customers may have.

For this reason, all of the Group's **main operational areas** apply **Quality Management Systems**



certified in accordance with the most important **ISO standards in the industry**, which allow the Group – through the definition of specific organisational and procedural structures – to:

- implement the continuous monitoring of **performances**;
- check and correct any **non-conformities**;
- improve effectiveness and efficiency in **product** manufacturing and **service** supply.

CTA (Italy, Iberia and Asia)	T.L.P.	ALCO	E.IT.I.	Raccortubi (Italian and foreign offices)	Tecninox
ISO 9001	ISO 9001	ISO 9120 ISO 19443	ISO 9001	ISO 9001	ISO 9001

In addition to its certified management systems, the Group holds **certifications** for various fields of application, such as BV Marine&Offshore NR320 for Tecninox and Raccortubi, **international approvals** for product marketing, and **specific approvals** issued by end customers, further demonstrating the quality of its products and services.

Following the integration of the Raccortubi Group, the practices defined within the framework of such Quality Management Systems are being **reviewed and integrated** so as to ensure – as of 2024 – a **greater uniformity** of practices at a consolidated level.

In any event, on the whole it is underlined that the following **customer relations** practices take priority in all CTA Group companies:

- control of the **quality of the materials** distributed (produced in part with Tecninox);
- assessment of **customer satisfaction** and the handling of **complaints**.

With regard to the first issue, procuring materials in each company involves both a careful **qualification of suppliers** (also through on-site audits carried out by Quality Department representatives), and specific **qualitative control** procedures aimed at verifying the conformity and compliance of the materials purchased with the agreed standards, which take the shape of:

- **standard controls** carried out when receiving materials in our warehouses, for which the designated representatives compile checklists upon their external visual inspection;
- more in-depth **spot checks** (destructive and non-destructive tests), carried out both by qualified experts hired by the Group and with the help of accredited external laboratories, aimed at testing dimensional and quality characteristics.

With respect to Tecninox's production, quality controls underpin all stages of the **production process**, from the careful selection of **raw materials** to substantial investments in **technology** with the creation of a robotised island for dimensional controls, PMI, marking and packaging, so as to ensure the delivery of **high-quality** finished products.

4 [SOCIAL]

4.2 CUSTOMERS

The **tests** carried out in-house concern hardness, PMI, penetrant tests and magnetoscope; other destructive and non-destructive tests are entrusted to **external laboratories qualified** by international bodies, with which we have long been collaborating.

As regards **customer satisfaction**, systems are in place within Group companies to detect the degree of customer satisfaction, which involve multiple **reference channels**, such as direct contacts with the relevant sales managers or the supply of specific questionnaires aimed at understanding whether there is any room for improvement in the management of orders or projects.

The **results** of the activities carried out within these systems – developed in accordance with **ISO** Quality Standards – are periodically discussed by **Group Management** in its reviews, with which:

- the **performance** of specific customer satisfaction indicators is assessed;
- possible **changes** to processes, roles or responsibilities are defined;
- the **objectives** for the following year are defined.

Each Group company therefore ensures an ongoing commitment to resolving any complaint, ensuring immediate **support** and **communication** through the relevant structures.

4.3 RELATIONSHIP WITH THE COMMUNITY

The maintenance and enhancement of long-term **relationships** with **local communities** pertaining to the Group's business are the basis for business **success** and the common creation of **value** and **wellbeing** for current and future generations.

For this reason, the CTA Group has always been committed to playing an **active** and **participating** role in fostering the economic, social and cultural development of the community, with particular attention to the community of the metropolitan city of **Turin** and the surrounding municipalities, i.e. the place from which the company has grown to become an **international reality**. Since the establishment of CTA S.p.A. in **1959**, a very strong **connection** has been developed with the Turin area, participating in many **initiatives** that promote Corporate Social Responsibility.

In **2023** the Group undertook to **finance** and **promote** projects and initiatives, sports events and educational activities for the younger generation as shown in the table below.

With a view to the **consolidated management** of these practices, the initiatives supported by the Raccortubi Group in recent years have also been incorporated, giving evidence of a **shared attention** to corporate social responsibility projects.



SCOPE	BENEFICIARY	MOTIVATION
	ASD Pro Eureka	Continued commitment in favour of ASD Pro Eureka to create a place where young people can socialise and get together in the municipality of Settimo T.se. This activity, which involved a large investment of financial and other resources, is described in more detail on the following pages.
	Parish of Santa Giovanna d'Arco	Donation for the restoration of the children's theatre stage in the parish of Santa Giovanna d'Arco in Turin.
	Comitato Arte alle Corti	Sponsorship of the event "Dialogo tra l'arte contemporanea e le corti dei Palazzi Aulici della città di Torino" (Dialogue between contemporary art and the courtyards of the Palazzi Aulici in Turin) promoted by the Comitato Arte alle Corti. The event was developed with the aim of taking the public on a journey through works of contemporary art in some of the most representative courtyards in Turin.
	Contrametric Ensemble - ETS	Financial support for the initiatives and artistic musical activities of the young Turin orchestra Contrametric Ensemble, founded in September 2020 with the aim of being a safe haven where young people can grow artistically and experience directly the profession of musician.
	Fondazione Ricerca Molinette	Donation to the charity raffle "La vita è un dono, donare è vita!" (Life is a gift, giving is life!) organised by G.S. Sangone Nichelino and A.S.D. Onnisport, whose entire proceeds were donated to Fondazione Ricerca Molinette and earmarked for research into a therapeutic vaccine against pancreatic cancer.
	LILT	Support to the campaign dedicated to the fight against breast cancer in collaboration with LILT (Lega Italiana per la Lotta contro i Tumori). In November 2023, breast examinations were carried out for CTA Group employees who joined the campaign at the Grezzago and Grugliasco facilities.
	ISP	Donation for the reconstruction of a Hindu temple in a small Indian village where a CTA Group customer lives.
	Federazione malattie rare infantili Torino - F.M.R.I.	Donation to the "Federazione malattie rare infantili" (Federation of Rare Children's Diseases, F.M.R.I.), consisting of several associations in the region fighting together against rare diseases every day.
	Balconi Azzurri	Donation to the association "I balconi azzurri", established during the Covid-19 pandemic with the aim of providing practical and financial support to those in need.
	Istituto Comprensivo Statale Nasi	Donation of gadgets to primary school pupils as part of the solidarity event "Corsa contro la fame" (Race against hunger) held at Le Vallere Park in Moncalieri in May 2023.
	Associazione Amici di Joaquim Gomes ODV	Donation to the association for the event "Abitiamo la Terra - Festa Brasiliana di Solidarietà 2023" (Loving and Living on Planet Earth - Brazilian Solidarity Party). The association has been active since 2003 in raising funds and awareness to support development and international cooperation projects.

Out of the many initiatives supported by the Group, we should mention the **3.5 million euro** investment in the modernisation of the sports facility of the **ASD Pro Eureka** in Settimo Torinese, as a result of which the company was granted the bonus sport tax credit.

4 [SOCIAL]

4.3 RELATIONSHIP WITH THE COMMUNITY

Indeed, in the **first half of 2023** work began – now completed – to redevelop and modernise the “Guido Sattin” Sports Centre as part of a broader **programme for the renovation** of the former Pirelli area in Settimo Torinese, benefiting the approximately **400 registered children and young people** in the ASD Pro Eureka and local amateur football teams, including a team for children with disabilities.

The project led to the **total modernisation** of the sports centre's facilities, creating a **new state-of-the-art centre** for local amateur teams and one of the largest football complexes in the **Piedmont** region: specifically, the works led to the renovation of **dressing rooms, tribunes and equipped areas**, and to the construction of **four latest-generation synthetic turf pitches** (two 11-a-side, one 7-a-side and one 5-a-side pitches).



The executive project therefore entailed the **complete redefinition** of the area and the implementation of each intervention according to standards of **utmost quality and environmental sustainability**: for example, the 11-a-side football pitches were built with a vertical drainage **subfloor** complying with current LND Standard and FIFA Quality Pro **regulations** and is considered a **state-of-the-art solution** in terms of energy saving, durability and reliability.

Also the 7-a-side and 5-a-side football pitches were constructed using the same system and are **available to the entire Settimo Torinese community** for friendly matches and amateur tournaments.

As said above, at the date of publication of this Sustainability Report, the **works** had been **completed**: in **May 2024** in fact, **the new facility was inaugurated** in the presence of the city's mayor, the president of the FIGC Piedmont and Aosta Valley Committee, and the deputy vice-president of the National Amateur League.





5 [GOVERNANCE]

5.1 BUSINESS MANAGEMENT

The Group pays particular **attention** to pursuing **business management** in a way that is efficient and respectful of the principles of social and ethical **responsibility**, taking into account the complexity of corporate processes, the international dimension of its **business** and the many **stakeholders** with whom relations are maintained.

In this regard, in addition to what described in Section 1.3 with regard to the **organisation** of operations, specific **policies** and **principles** have been defined over the years to duly **guide** business conduct and culture:

- The **Code of Ethics**, adopted as at 2023 both by CTA and Raccortubi, which sets out the **values** which should guide the conduct of all those who, at the various levels of responsibility and in the various affiliated companies, contribute with their acts to company **activities**, including consultants and/or external collaborators, business and operating partners.

Application of the respective Codes and **compliance** therewith are monitored by Management and promoted through specific dissemination initiatives intended for company personnel; the **key principles** of the codes of both companies are shown in the following box.

CTA GROUP

Legality - Loyalty and fairness - Honesty

Equity - Transparency - Impartiality

Professionalism - Confidentiality - Health and safety

- The **Whistleblowing System**, implemented between 2023 and 2024 in both CTA and Raccortubi in compliance with EU regulations and Legislative Decree 24/2023.

The whistleblowing platform allows whistleblowers - through multiple information channels set up in such a way as to possibly **protect whistleblowers** from retaliation (ensuring their anonymity, if required) - to report any **unlawful** conduct (defined in accordance with Article 2 of the aforementioned legislative decree) held by company personnel or otherwise during business activities.

- The **Organisation, Management and Control Model** complying with **Legislative Decree 231/2001**, adopted in 2020 by CTA and currently being finalised by Raccortubi, the key elements of which are:
 - a **mapping** of activities exposed to the risk of crime (so-called "sensitive" activities), with the identification of examples of possible ways in which offences may be committed and of instrumental/functional processes within which the conditions and/or means for the commission of such offences might arise;
 - a **procedural body** that oversees all business activities, including the ones which, following the aforementioned mapping, were found to be more exposed to a potential risk of crime;



- the establishment of a **Supervisory Board** which is assigned specific tasks to supervise the effective implementation and application of the Model in accordance with the Decree;
- a **system of sanctions** to ensure the effective implementation of the Model and containing the disciplinary actions and sanctions applicable to the Recipients of the Model in case of a violation of the provisions set out therein;
- constant **information and training** with regard to the contents of the Model; this activity is aimed at spreading knowledge of Legislative Decree 231/2001 and its prescriptions, and is addressed to all personnel; however, it is differentiated in its content and method of dissemination according to the Recipients' qualification, the risk level of the area in which they operate and whether or not they hold representative and management functions.

Our constant attention to the way the business is managed has led us to obtaining **optimal scores** in the **ESG assessment** questionnaires shared by our customers and lenders, as outlined in section 2.1, along with the following **results**:

- CTA's **inclusion** in the **White List** of the Prefecture of the Province of Turin, i.e. a list of suppliers, service providers and works executors not subject to Mafia infiltration attempts, in spite of operating in sectors exposed to greater risk;
- the improvement of CTA's **Legality Rating**, obtaining the highest rating; it was first achieved in 2022 and was updated after 24 months.

THE LEGALITY RATING

The legality rating is a concise indicator of compliance with high legality standards.

It can be requested by companies that meet particular size criteria and takes the shape of a score of one to three 'stars'.

In 2023, CTA S.p.A. renewed its application for the Legality Rating, obtaining the highest score: , an improvement on what was achieved in 2022 ().



5 [GOVERNANCE]

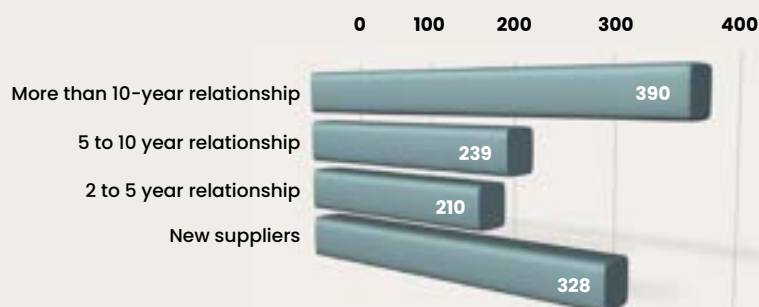
5.1.1 SUPPLY CHAIN

The Group operates in a highly **competitive industry** in which it faces major competitors. In order to preserve and increase its market share, a **strategy** has thus been implemented, which focuses on the development of a peculiar (though fundamental in the sector) intangible **asset: relations** with suppliers (see e.g. our partnership with the Tenaris Group, section 1.2). Relations with suppliers are based in all Group companies on the **values** mentioned in specific regulatory documents such as the **Code of Ethics**, which considers – both in CTA and in Raccortubi – legality, loyalty and fairness, equity, transparency, impartiality and confidentiality as founding values, as well as on our willingness to establish **continuous and synergistic collaborations** based on a relationship of **trust**.

Being aware of the strategic and operational importance of its supply chain, the Group considers it essential to choose **stable** and **reliable** partners in order to establish long-lasting relationships.

In this regard, the following data were recorded in **2023** in terms of the **duration** of supply relationships.

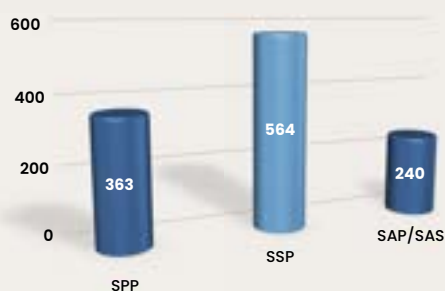
[NUMBER OF SUPPLIERS BY DURATION OF RELATIONSHIP – 2023]



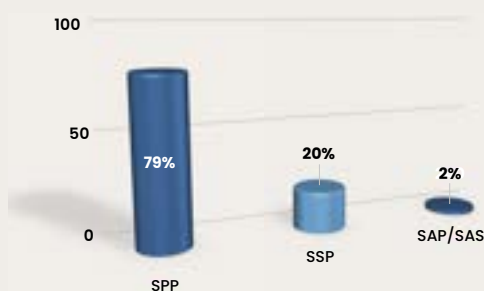
Suppliers are divided into three macro-**categories**, which entail different selection, qualification, monitoring and evaluation procedures:

- Strategic Product Providers – **SPPs**
- Strategic Service Providers – **SSPs**
- Suppliers of ancillary products and services – **SAPs and SASs**

[NUMBER OF SUPPLIERS BY CATEGORY – 2023]



[CTV IN € IN % BY SUPPLIER CATEGORY – 2023]



In any case, the selection is based on the following **principles of conduct** (described in Model 231):

- selection according to predefined criteria of transparency, quality and cost-effectiveness;



- ascertainment of the honourability and reliability of suppliers and business partners (commercial and financial partners) by acquiring specific information and public data;
- regular verification of the alignment of the conditions applied by suppliers and business partners (commercial and financial partners) with market conditions;
- verification of compliance with occupational health and safety and environmental regulatory requirements.

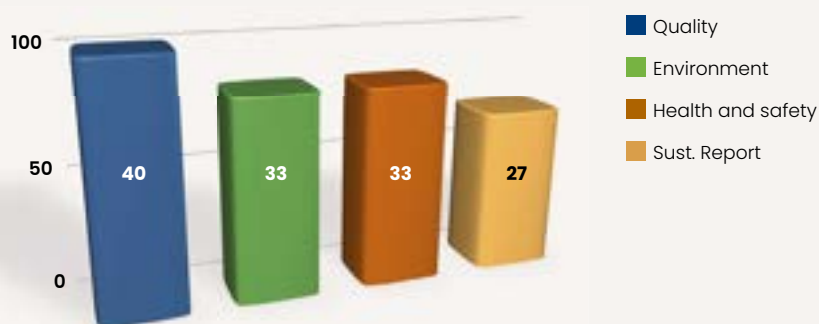
Monitoring SPPs and SSPs is a continuous process; their **evaluation**, on the other hand, is annual and involves both management and the Procurement and Quality departments, which check the amount of products or services purchased and any non-conformities, taking possible corrective actions.

As part of the monitoring phase, in the case of **Suppliers of Strategic Products**, the procurement department may visit their premises to better coordinate project management or to check production trends and consequently confirm or rediscuss their actual work capacity. In addition, in the event of significant non-conformities, special audits may be conducted, analysing the causes of non-conformities and jointly defining corrective actions.

In view of the possible significant **impacts** of the activities carried out by the **supply chain** and being aware that the implementation of sustainability objectives is only possible in a spirit of **collaboration**, the Group is committed to seeking partnerships with entities that pay attention to the **value** of protecting people and the environment.

In this respect, in **2023** the following data were recorded on a sample consisting of our top 20 SPPs.i.

[ANALYSIS OF OUR TOP 20 SPPs (NO. CERTIFICATIONS) – 2023]



As set out in the ESG Plan, new **qualification** criteria for SAP suppliers were introduced at the end of 2023, favouring the selection of local suppliers, to mitigate any ensuing logistics impacts; further supplier management criteria favouring socially and environmentally **responsible** behaviour are expected to be adopted later in the year.

[METHODOLOGICAL NOTE]

THE SUSTAINABILITY REPORT OF THE CTA GROUP

This document represents the Sustainability Report of the CTA Group for the financial year 2023 and informs the Group's stakeholders about its environmental, social and governance sustainability achievements, actions and objectives.

The document, which has not been audited, has been prepared on a voluntary basis with reference to the GRI (Global Reporting Initiative) Standards and considering the cross-cutting and thematic principles of the European Sustainability Reporting Standards (ESRS), having regard to the Group's operational and governance peculiarities.

The reporting scope, unless otherwise indicated, coincides with the CTA Group's area of legal and operational influence, which includes the companies indicated in section 1.1.

The process of drafting this document, set up on an annual basis, involved the following activities:

- discussion with management, document analysis and interviews with the managers of the main operational areas to assess the organisation's context and its main social and environmental impacts;
- discussion with management to identify and assess material topics;
- analysis of the 2030 Agenda for the identification of the relevant SDGs;
- definition of a content index based on qualitative and quantitative information consistent with the use of economic, environmental and social GRI indicators;
- collection and systematisation of KPI data for the financial years 2022/23.

The summary "KPIs" section, which can be consulted in the final pages of this document, is an integral part of the Sustainability Report and links the topics discussed in the text to specific performance indicators: the KPIs refer to the financial year 2023 and – where available – 2022, in order to allow for the comparability of data and to assess activity progress; where appropriate, references are made to subsequent significant events that occurred in the first months of 2024.

With regard to the "Business management" material topic, in view of the transition to the ESRS defined by the EFRAG and applicable to the organisation as of FY 2025, the indicators related to the "Economic value creation and distribution" impact have not been reported.

The use of estimates has been limited as much as possible to ensure a fair representation of performances; where used, they are based on the best available methods and are duly pointed out.

For clarification or additional information regarding this Sustainability Report, please write to the following email address: esg@ctaspa.it.



[KPIS]

DATA SUMMARY

TAB. E1 – INTERNAL ENERGY CONSUMPTION – 2022/2023		
Energy consumed within the organisation	2022	2023
ENERGY FOR FACILITIES (OFFICES, WAREHOUSES, FACTORIES – HEATING AND PRODUCTION)		
Gas (m ₃)	336.732	265.829
LPG (l)	0	0
Electricity consumed (Kwh)	1.871.011	1.889.244
FUEL CONSUMED BY COMPANY-OWNED VEHICLES		
Petrol (l)	2.400	1.725
Diesel (l)	608	776
LPG (l)	0	0
TAB. E2 – ENERGY CONSUMPTION (GJ) – 2022/2023		
Energy consumed within the organisation	2022	2023
ENERGY FOR FACILITIES (OFFICES, WAREHOUSES, FACTORIES – HEATING AND PRODUCTION)		
Gas (m ₃)	12.472	9.846
LPG (l)	0	0
Electricity consumed (Kwh)	6.730	6.796
FUEL CONSUMED BY COMPANY-OWNED VEHICLES		
Petrol (l)	72	52
Diesel (l)	17	22
LPG (l)	0	0



[KPIS]

TAB. E3 – ELECTRICITY – 2022/2023

Electricity	2022	2023
TOTAL ELECTRICITY PURCHASED (KWH)	1.633.846	1.671.254
Total electricity purchased and covered by G.O. (kWh)	0	515.409
% coverage with G.O. of electricity purchased	0,00%	30,84%
TOTAL SELF-PRODUCED ELECTRICITY (KWH)	237.165	216.785
Total self-produced and consumed electricity (kWh)	237.165	145.544
Total self-produced electricity transferred to the grid (kWh)	0	71.241
% of self-consumption out of self-production	100%	67%

TAB. E4 – GHG EMISSIONS (MARKET BASED) – 2022/2023

Market Based	CTA		TLP		RT		TX		Group
Emissions (ton CO ₂ e)	2022	2023	2022	2023	2022	2023	2022	2023	2023
Scope 1 emissions	198	216	27	30	-	153	-	250	649
- of which in category 1.1	91	88	13	11	-	151	-	248	498
- of which in category 1.2	0	0	0	0	-	0	-	0	0
- of which in category 1.3	107	128	14	19	-	2	-	2	151
Scope 2 emissions	209	1	16	0	-	166	-	298	465
- of which in category 2.1	209	1	16	0	-	166	-	298	465
Scope 3 emissions	92.052	88.345	20.293	12.820	-	11.410	-	317	112.892
- of which in category 3.1	87.138	81.189	19.446	12.348	-	10.734	-	95	104.366
- of which in category 3.3	86	45	9	6	-	78	-	133	262
- of which in category 3.4	1.037	5.864	111	350	-	348	-	2	6.564
- of which in category 3.5	7	26	11	6	-	7	-	42	81
- of which in category 3.6	98	96	0	0	-	17	-	0	113
- of which in category 3.7	221	297	59	70	-	192	-	38	597
- of which in category 3.9	3.465	828	657	40	-	34	-	7	909
TOTAL	92.459	88.562	20.336	12.850	-	11.729	-	865	114.006



TAB. E5 – GHG EMISSIONS (LOCATION BASED) – 2022/2023

Location based	CTA		TLP		RT		TX		Group
Emissions (ton CO ₂ e)	2022	2023	2022	2023	2022	2023	2022	2023	2023
Scope 1 emissions	198	216	27	30	-	153	-	250	649
- of which in category 1.1	91	88	13	11	-	151	-	248	498
- of which in category 1.2	0	0	0	0	-	0	-	0	0
- of which in category 1.3	107	128	14	19	-	2	-	2	151
Scope 2 emissions	133	132	10	9	-	105	-	189	435
- of which in category 2.1	133	132	10	9	-	105	-	189	435
Scope 3 emissions	92.032	88.368	20.292	12.822	-	11.394	-	289	112.873
- of which in category 3.1	87.138	81.189	19.446	12.348	-	10.734	-	95	104.366
- of which in category 3.3	66	68	8	8	-	62	-	105	243
- of which in category 3.4	1.037	5.864	111	350	-	348	-	2	6.564
- of which in category 3.5	7	26	11	6	-	7	-	42	81
- of which in category 3.6	98	96	0	0	-	17	-	0	113
- of which in category 3.7	221	297	59	70	-	192	-	38	597
- of which in category 3.9	3.465	828	657	40	-	34	-	7	909
TOTAL	92.363	88.716	20.329	12.861	-	11.652	-	728	113.957



[KPIS]

TAB. E6 – CONSUMPTION OF MATERIALS – 2022/2023

Materials (kg)	2022	2023
Paints	7.505	5.486
Paper and cardboard	19.995	29.916
Wood	203.235	259.687
Plastics	2.850	18.155
Polyester	1.000	86.375
Stretch film	4.462	1.214
Synthetic oils	2.750	0
Vegetable oils	0	1.500
Sand	0	0
Hydrogen peroxide pickling	10.000	5.000
Acid pickling	3.600	2.400
Polymer (painting)	4.000	3.000
Metals (strapping)	7.637	2.859
Other mixes	80	0
TOTAL	267.114	415.592

TAB. E7 – WATER CONSUMPTION – 2022/2023

WATER TAKEOFF (tot m ₃)	2022	2023
Groundwater (aquifer)	1.434	571
Water from third parties (aqueduct)	31.392	32.698
Surface waters	61	63
TOTAL CONSUMPTION	32.887	33.332

TAB. E8 – BREAKDOWN OF WASTE PRODUCED – 2022/2023

WASTE (kg)		2022			2023		
CER Code	Description	Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
02.01.04	Plastic waste	0	0	0	0	18.960	18.960
06.05.02	Processing sludges containing hazardous substances (acid sludges)	2.471	0	2.471	4.716	0	4.716
07.06.08	Other primers and reaction residues (polymer protective application)	0	1.738	1.738	4.269	0	4.269
08.03.18	Exhausted toners	0	273	273	0	186	186
11.01.12	Washing water solutions	0	0	0	0	8.480	8.480
12.01.01	Iron filings and shavings	0	2.360	2.360	0	0	0



WASTE (kg)		2022			2023		
CER Code	Description	Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
12.01.03	Filing flakes and dust from non-ferrous materials	0	44.440	44.440	0	33.080	33.080
12.01.07	Mineral halogen-free oils for machinery (waste oil recovery)	0	1.600	1.600	1.000	0	1.000
12.01.09	Halogen-free emulsions and solutions for machinery	0	4.780	4.780	6.470	0	6.470
12.01.14	Processing sludges containing hazardous substances (tumbler)	779	0	779	0	0	0
12.01.16	Residues of blasting material containing hazardous substances (grinding)	6.606	0	6.606	11.106	0	11.106
12.01.20	Exhausted tool bodies	3	0	3	0	0	0
12.01.21	Exhausted tool bodies and ground materials	0	221	221	0	208	208
12.01.99	Waste not otherwise specified (steel)	0	8.580	8.580	0	1.540	1.540
15.01.01	Paper and cardboard packaging	0	4.560	4.560	0	5.830	5.830
15.01.02	Plastic packaging	0	10.700	10.700	0	7.810	7.810
15.01.03	Wood packaging	0	78.010	78.010	0	76.520	76.520
15.01.06	Mixed material packaging	0	5.640	5.640	0	21.260	21.260
15.01.10	Packaging containing residues of hazardous substances	9.276	0	9.276	1.278	0	1.278
15.01.11	Metal packaging with hazardous residues	4.000	0	4.000	0	0	0
15.02.02	Hazardous absorbents and filtering materials	5.060	0	5.060	2.645	0	2.645
16.02.13	Hazardous discarded equipment	0	0	0	108	0	108
16.02.14	Non-hazardous discarded equipment	0	1.288	1.288	200	502	702
16.05.04	Gases in pressure containers	63	0	63	49	0	49
17.04.05	Iron and steel	0	120.540	120.540	0	75.300	75.300
20.01.01	Paper and cardboard	0	0	0	0	6.620	6.620
20.03.07	Bulky waste	0	820	820	0	0	0
	TOTAL	28.258	285.550	313.808	31.841	256.296	288.137

[KPIs]

TAB. E9 – WASTE BREAKDOWN BY TYPE OF TREATMENT – 2023

TYPE OF TREATMENT	Hazardous	Non hazardous	Total
Preparation for re-use	2.508	161.610	164.118
Recycling	0	38.018	38.018
Other recovery operations	7.582	50.908	58.490
TOTAL QUANTITY OF WASTE DIVERTED FROM DISPOSAL	10.090	250.536	260.626
Incineration with energy recovery	0	0	0
Incineration without energy recovery	0	0	0
Landfill	21.751	5.760	27.511
Other disposal operations	0	0	0
Total quantity of waste directed to disposal	21.751	5.760	27.511
Total quantity of waste produced	31.841	256.296	288.137

TAB. S1 – TOTAL NUMBER OF EMPLOYEES BY CLASSIFICATION AND GENDER – 2022/2023

CLASSIFICATION	2022			2023		
	Men	Women	Total	Men	Women	Total
Executives	15	2	17	14	2	16
Middle managers	31	10	41	34	9	43
White-collars	67	96	163	59	105	164
Blue-collars	85	2	87	81	2	83
TOTAL	198	110	308	188	118	306

TAB. S2 – EXTERNAL WORKFORCE – 2023

EXTERNAL WORKFORCE	Men	Women	Total
Self-employed workers	8	0	8
Contracted/temporary workers	2	0	2
Interns	0	1	1
TOTAL	10	1	11



TAB. S3 – TOTAL NUMBER OF EMPLOYEES BY CLASSIFICATION AND AGE GROUP – 2022/2023

CLASSIFICATION	2022				2023			
	<30 YEARS OF AGE	30-50 YEARS OF AGE	>50 YEARS OF AGE	Total	<30 YEARS OF AGE	30-50 YEARS OF AGE	>50 YEARS OF AGE	Total
Executives	1	8	8	16	1	8	7	15
Middle managers	1	18	23	41	1	20	23	43
White-collars	17	103	42	145	25	91	47	138
Blue-collars	14	38	35	73	12	39	32	71
TOTAL	33	167	108	275	39	158	109	267

TAB. S4 – TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, BY GENDER – 2022/2023

CONTRACT TYPE	2022			2023		
	Men	Women	Total	Men	Women	Total
Permanent	195	106	301	187	115	302
Fixed-term	3	4	7	1	3	4
Variable term	0	0	0	0	0	0
TOTAL	198	110	308	188	118	306

TAB. S5 – TURNOVER – 2022/2023

TURNOVER	USCITE	
	2022	2023
Executives	1	0
Middle managers	2	0
White-collars	15	6
Blue-collars	5	6
Total outgoing employees	23	12
Total employees	308	306
Turnover rate	7%	4%

[KPIs]

TAB. S6 – HEALTH AND SAFETY MANAGEMENT SYSTEM – 2022/2023

HEALTH AND SAFETY	2022		2023	
	Number	% of total	Number	% of total
Employees covered by a certified health and safety management system (e.g. ISO 45001)	217	70%	222	73%
Employees covered by a non-certified health and safety management system	91	30%	84	27%
Employees not covered by a health and safety management system	0	0%	0	0%
TOTAL	308	100%	306	100%

TAB. S7 – ACCIDENTS AT WORK – 2022/2023

ACCIDENTS AT WORK	2022	2023
Total number of accidents at work	7	4
of which with serious consequences	0	0
No. of deaths from occupational accidents	0	0
No. of deaths from occupational disease	0	0
TOT. ordinary hours worked	412.357 (*)	499.940
TOT. overtime hours worked	11.421	11.263
TOT. hours worked	423.778 (*)	511.203
TOT. hours lost due to accidents at work	485	456
% of hours lost out of total hours	0,11% (*)	0,09%
no. of working days lost due to accidents at work	61	57
Accident rate (no. accidents/total working hours)(*) 1.000.000	16,5*	7,8

(*) the number of total hours worked considers only companies in which accidents at work occurred

TAB. S8 – OCCUPATIONAL DISEASES – 2022/2023

	2022	2023
Total number of recordable cases of occupational disease	0	0



TAB. S9 – TOTAL HOURS OF (MANDATORY AND NON-MANDATORY) TRAINING BY OCCUPATIONAL CATEGORY AND GENDER – 2023

	Men	Women
Executives	228	47
Middle managers	495	165
White-collars	612	990
Blue-collars	468	10

TAB. S10 – TOTAL HOURS OF TRAINING (MANDATORY AND NON-MANDATORY) BY DOMAIN – 2023

TYPE	Executives	Middle managers	White-collars	Blue-collars
Health and safety	12	57	159	465
ESG	73	20	72	3
ICT	84	150	400	0
Anticorruption	0	0	0	0
Foreign languages	85	253	660	0
IT (Excel)	1	53	200	3
Quality	1	22	4	3
Technical courses	19	105	107	4
TOTAL	275	660	1602	478

TAB. S11 – AVERAGE HOURS OF (MANDATORY AND NON-MANDATORY) TRAINING PER CAPITA BY OCCUPATIONAL CATEGORY AND GENDER – 2023

	Men	Women
Executives	16	24
Middle managers	15	18
White-collars	10	9
Blue-collars	6	5

[KPIS]

TAB. S12 – PERCENTAGE OF EMPLOYEES WHO PARTICIPATED IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT REVIEWS – 2023

Executives	100%
Middle managers	100%
White-collars	100%
Blue-collars	100%

TAB. S13 – EXECUTIVES DIVERSITY – 2023

Men	59	65.6%
Women	31	34.4%
Total	90	100%

TAB. S14 – TOTAL NUMBER OF EMPLOYEES BY FULL-TIME/PART-TIME CONTRACT AND GENDER – 2022/2023

FULL-TIME PART-TIME	2022			2023		
	Men	Women	Total	Men	Women	Total
Full-time	187	94	281	178	101	279
Part-time	11	16	27	10	17	27
TOTAL	198	110	308	188	118	306

TAB. S15 – FAMILY LEAVE – 2023

	Men	Women
Employees entitled to family leave	188	118
% of employees entitled to family leave	100%	100%
Eligible employees who took family leave	12	11
% of eligible employees who took family leave	6%	9%



TAB. S16 – COLLECTIVE BARGAINING – 2023

Number of employees covered by collective agreements	306
Total employees	306
% of employees covered	100%

TAB. S17 – EMPLOYEES BELONGING TO PROTECTED CATEGORIES – 2023

	Out of total employees	of which men (%)	of which women (%)
Number of employees belonging to vulnerable categories	10	8	2
% of employees belonging to vulnerable categories	3%	80%	20%

TAB. S18 – SOCIAL PROTECTION – 2023

Number of employees covered by social protection, through public programmes or benefits offered by the company, against loss of income due to significant events	306
Total employees	306
% of total	100%

TAB. G1 – SUPPLIER CONTRIBUTION BY CATEGORY – 2022/2023

TYPE OF SUPPLIER	DESCRIPTION	Number		COUNTERVALUE IN €		CTV IN € IN %	
			2023	2022	2023	2022	2023
Strategic Product Suppliers	Pipes, fittings, flanges and other related products in carbon, alloy and stainless steel.	363	363	147.612.950,56 €	149.410.044,54 €	79%	79%
Strategic Service Providers	All products and services having an impact on the quality of the product/service provided by CTA Group	564	564	37.142.618,43 €	37.233.094,18 €	20%	20%
Suppliers of Ancillary Products/ Services	All other products and services.	185	240	3.062.023,14 €	3.596.169,40 €	2%	2%
TOTAL		1112	1167	187.817.592,13 €	190.239.308,12 €	100%	100%

[KPIs]

TAB. G2 – SUPPLIER CONTRIBUTION (CTV IN €) BY LOCATION – 2023

SUPPLIERS	SPP		SSP		SAP/SAS	
	2023	%	2023	%	2023	%
Italy	78.342.758,00 €	42%	36.348.227,00 €	94%	3.506.761,00 €	98%
Rest of Europe (EEA)	49.310.658,00 €	26%	1.203.823,00 €	3%	71,90 €	2%
Extra-EU	59.443.747,00 €	32%	1.308.490,00 €	3%	17,51 €	1%
TOTAL	187.097.163,00 €	100%	38.860.540,00 €	100%	3.506.850,41 €	100%

TAB. G3 – NUMBER OF SUPPLIERS WHOSE PROCESS IS CERTIFIED – 2023

PROCESS CERTIFICATIONS	SPP
Quality	40
Environment	33
Health and safety at work	33
Sustainability reporting	27

TAB. G4 – BREAKDOWN OF TOTAL NUMBER OF SUPPLIERS BY DURATION OF RELATIONSHIP – 2023

RELATIONSHIP	SPP	SSP	SAP/SAS	Total
New	68	141	119	328
of which audited on site	0	0	0	0
2 to 5 year relationship	61	116	33	210
5 to 10 year relationship	79	113	47	239
More than 10-year relationship	155	194	41	390
TOTAL	363	564	240	1167





[GRI INDEX]

Statement of use	The information in this GRI content index is reported for the 1 January 2023 31 December 2023 period in accordance with the GRI Standards
GRI 1 used	GRI 1: Foundation 2021 - Reporting in accordance with the GRI Standards

GRI Standard	Information	Reference in the document
GRI 2: General Information 2021	2-1 Organizational details	1.1 The Group
	2-2 Entities included in the organization's sustainability reporting	Methodological Note
	2-3 Reporting period, frequency and contact point	Methodological Note
	2-4 Restatements of information	Previously reported information has not been restated
	2-5 External assurance	This SR has not been audited.
	2-6 Activities, value chain and other business relationships	1.2 Business Model
	2-7 Employees	4.1.1 Human resources, KPIs: Tab. S1, Tab. S3, Tab. S4, Tab. S14
	2-8 Workers who are not employees	4.1.1 Human resources, KPIs: Tab. S2
	2-9 Governance structure and composition	1.3 Organisation and control
	2-10 Nomination and selection of the highest governance body	1.3 Organisation and control
	2-11 Chair of the highest governance body	1.3 Organisation and control
	2-12 Role of the highest governance body in overseeing the management of impacts	1.3 Organisation and control
	2-13 Delegation of responsibility for managing impacts	1.3 Organisation and control
	2-14 Role of the highest governance body in sustainability reporting	1.3 Organisation and control
	2-15 Conflicts of interest	5.1 Business management
	2-16 Communication of critical concerns	5.1 Business management
	2-17 Collective knowledge of the highest governance body	1.3 Organisation and control
	2-18 Evaluation of the performance of the highest governance body	N.A.
	2-19 Remuneration policies	1.3 Organisation and control
	2-20 Process to determine remuneration	1.3 Organisation and control



GRI Standard	Information	Reference in the document
GRI 2: General Information 2021	2-21 Annual total compensation ratio	N.A.
	2-22 Statement on sustainable development strategy	2.1 Our approach
	2-23 Policy commitments	2.1 Our approach
	2-24 Embedding policy commitments	2.1 Our approach
	2-25 Processes to remediate negative impacts	N.A.
	2-26 Mechanisms for seeking advice and raising concerns	5.1 Business management
	2-27 Compliance with laws and regulations	5.1 Business management
	2-28 Membership associations	2.1 Our approach
	2-29 Approach to stakeholder engagement	2.2 The materiality analysis
	2-30 Collective bargaining agreements	KPIs: Tab. S16
GRI 3: Material Topics 2021	3-1 Process to determine material topics	2.2 The materiality analysis
	3-2 List of material topics	2.2 The materiality analysis
	3-3 Management of material topics	2.2 The materiality analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1 The Group
	201-2 Financial implications and other risks and opportunities due to climate change	2.2 The materiality analysis
	201-3 Defined benefit plan obligations and other retirement plans	N.A.
	201-4 Financial assistance received from government	N.A.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Non-material topic
	202-2 Proportion of senior management hired from the local community	Non-material topic
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure Investments and services supported	3.1 Energy consumption, 4.3 Relationship with the community
	203-2 Significant indirect economic impacts	N.A.
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	5.1.1 Supply chain, KPIs: Tab. G2
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	N.A.
	205-2 Communication and training about anti-corruption policies and procedures	4.1.3 Development and training, KPIs: Tab. S10
	205-3 Confirmed incidents of corruption and actions taken	In 2023 there were no incidents of corruption

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GRI Standard	Information	Reference in the document
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	In 2023 there were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
GRI 207: Tax 2019	207-1 Approach to tax	Non-material topic
	207-2 Tax governance, control, and risk management	Non-material topic
	207-3 Stakeholder engagement and management of concerns related to tax	Non-material topic
	207-4 Country-by-country reporting	Non-material topic
GRI 301: Materials 2016	301-1 Materials used by weight or volume	3.3 Use of materials, KPIs: Tab. E6
	301-2 Recycled input materials used	3.3 Use of materials
	301-3 Reclaimed products and their packaging materials	N.A.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.1 Energy consumption, KPIs: Tab. E1, Tab. E2, Tab. E3
	302-2 Energy consumption outside of the organization	N.A.
	302-3 Energy intensity	N.A.
	302-4 Reduction of energy consumption	N.A.
	302-5 Reductions in energy requirements of products and services	N.A.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	The activities carried out by the CTA Group do not involve significant interactions with water resources. Data on water consumption and withdrawal are reported in the KPI section 3.3 Use of materials, KPIs: Tab. E7
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
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	Non-material topic
	304-2 Significant impacts of activities, products and services on biodiversity	Non-material topic
	304-3 Habitats protected or restored	Non-material topic
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Non-material topic



GRI Standard	Information	Reference in the document
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.2 Greenhouse gas emissions, KPIs: Tab. E4, Tab. E5
	305-2 Energy indirect (Scope 2) GHG emissions	3.2 Greenhouse gas emissions, KPIs: Tab. E4, Tab. E5
	305-3 Other indirect (Scope 3) GHG emissions	3.2 Greenhouse gas emissions, KPIs: Tab. E4, Tab. E5
	305-4 GHG emissions intensity	N.A.
	305-5 Reduction of GHG emissions	3.2 Greenhouse gas emissions
	305-6 Emissions of ozone-depleting substances (ODS)	N.A.
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	N.A.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.4 Waste management
	306-2 Management of significant waste-related impacts	3.4 Waste management
	306-3 Waste generated	3.4 Waste management, KPIs: Tab. E8
	306-4 Waste diverted from disposal	3.4 Waste management, KPIs: Tab. E9
	306-5 Waste directed to disposal	3.4 Waste management, KPIs: Tab. E9
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.1.1 Supply chain
	308-2 Negative environmental impacts in the supply chain and actions	N.A.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1.1 Human resources, KPIs: Tab. S5
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N.A.
	401-3 Parental leave	4.1.4 Well-being and inclusion, KPIs: Tab. S15
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Non-material topic
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.1.2 Health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	N.A.
	403-3 Occupational health services	4.1.2 Health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	N.A.
	403-5 Worker training on occupational health and safety	4.1.2 Health and safety, KPIs: Tab. S10
	403-6 Promotion of worker health	4.1.2 Health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1.1 Supply chain

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GRI Standard	Information	Reference in the document
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	4.1.2 Health and safety, KPIs: Tab. S6
	403-9 Work-related injuries	4.1.2 Health and safety, KPIs: Tab. S7
	403-10 Work-related ill health	4.1.2 Health and safety, KPIs: Tab. S8
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.1.3 Development and training, KPIs: Tab. S11
	404-2 Programmes for upgrading employee skills and transition assistance programmes	4.1.3 Development and training, KPIs: Tab. S9, Tab. S10
	404-3 Percentage of employees receiving regular performance and career development reviews	4.1.3 Development and training, KPIs: Tab. S12
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1.4 Well-being and inclusion, KPIs: Tab. S1, Tab. S3, Tab. S13, Tab. S17
	405-2 Ratio of basic salary and remuneration of women to men	N.A.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2023 there were no incidents of discrimination
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N.A.
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	N.A.
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	N.A.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	N.A.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N.A.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	4.3 Relationship with the community
	413-2 Operations with significant actual and potential negative impacts on local communities	4.3 Relationship with the community
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.1.1 Supply chain
	414-2 Negative social impacts in the supply chain and actions taken	N.A.
GRI 415: Public Policy 2016	415-1 Political contributions	Non-material topic
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Non-material topic
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Non-material topic



GRI Standard	Information	Reference in the document
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Non-material topic
	417-2 Incidents of non-compliance concerning product and service information and labelling	Non-material topic
	417-3 Incidents of non-compliance concerning marketing communications	Non-material topic
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023 there were no complaints concerning breaches of customer privacy and losses of customer data



[CREDITS]

The first CTA Group Sustainability Report has been produced thanks to the collaboration of all the Group's departments and shareholders, with the advice of Studio BGR Tax and Legal for the DNF, Studio LCE for the Carbon Footprint calculation and with the collaboration of Professor Maurizio Cisi.

The document is the result of the company's desire to give a serious and timely account of the CTA Group's approach to sustainability.

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