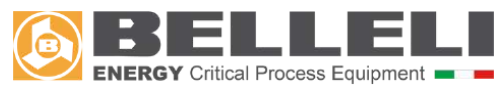


FORWARD TOGETHER

Sustainability Report 2023



index

<u>Letter from the CEO and President</u>	4
<u>SUSTAINABILITY HIGHLIGHTS 2023</u>	6
<u>SUSTAINABILITY PATH</u>	8
<u>MAJOR EVENTS IN 2023</u>	10
<u>ESG ASSESSMENTS IN 2023</u>	12
<u>IDENTITY</u>	14
<u>Vision, Mission</u>	16
<u>Shared Value</u>	17
<u>The companies of the Tosto Group</u>	18
<u>Reference Sectors</u>	28
<u>Products</u>	32
<u>Business of the future</u>	36
<u>BUSINESS MODEL AND OPERATIONS</u>	46
<u>Value Chain</u>	48
<u>Supply Chain</u>	50
<u>Certifications</u>	54
<u>Qualification Process</u>	55
<u>Clients</u>	56
<u>GOVERNANCE</u>	60
<u>Governance Structure</u>	62
<u>Stakeholder</u>	70
<u>Risks and opportunities</u>	78
<u>Future goals and commitments</u>	84
<u>IMPACT MATERIALITY</u>	88
<u>Materiality analysis</u>	90
<u>Negative impacts</u>	92
<u>Positive impacts</u>	94
<u>Material Topics</u>	96
<u>Contribution to the SDGs and adherence to the UN Global Compact principles</u>	98

<u>PROSPERITY</u>	100
<u>Employment</u>	102
<u>Research, development and innovation</u>	110
<u>Financial stability and international orientation</u>	122
<u>Value creation and distribution</u>	126
<u>Community support</u>	128
<u>PLANET</u>	130
<u>The global challenge of climate change</u>	132
<u>Environmental Management</u>	134
<u>Energy Consumption and Renewable Energy Sources</u>	136
<u>Fighting climate change</u>	145
<u>Integrated approach to the Circular Economy</u>	158
<u>Protection of the biodiversity</u>	164
<u>Water management</u>	165
<u>PEOPLE</u>	166
<u>Dignity and Equity</u>	168
<u>Human Rights</u>	178
<u>Together in safety</u>	182
<u>Skills for the future</u>	184
<u>Well-being of People</u>	192
<u>USE METHODOLOGICAL</u>	200
<u>APPENDIX</u>	202
<u>Data and Performance Indicators</u>	204
<u>GRI Content Index</u>	210
<u>Mapping Table Between GRI 11: Oil and Gas Sector 2021</u>	218
<u>Topics and Tosto Group's Material Topics</u>	
<u>Mapping Table Between SDGs and GRI Standards Indicators</u>	220
<u>Global Compact Mapping Table</u>	224

Letter from the CEO and President

2-22

Dear Stakeholders,

It is with great satisfaction that I present "Forward Together," our Sustainability Report for 2023. This year, for the first time, we have unified the reporting of our main companies into a single document, a tangible symbol of our collective commitment to a sustainable future.

2023 has been a year of significant challenges and extraordinary opportunities. At COP28 in Dubai, we took a strong stand by supporting the Net Zero Nuclear Industry Pledge. This is not just a commitment on paper; it is our promise to actively contribute to tripling nuclear capacity by 2050, aligning with the goal of a sustainable energy transition. But we do not stop there.

Our cutting-edge projects range from green hydrogen to nuclear fusion and fission, as well as advanced energy storage techniques. These are not mere ambitions or trendy terms; they are the future we are shaping with our own hands, positioning ourselves at the forefront of the ongoing energy revolution.



"Forward Together" reflects our philosophy of shared progress across multiple fronts. We have reduced CO₂ emissions, strengthened policies on human rights and transparency, and launched innovative welfare initiatives that not only improve workplace quality of life but also enhance the sense of belonging within our corporate community. Economically, we have achieved significant growth, highlighting our ability to combine financial performance with social and environmental responsibility.

I am particularly proud of our commitment to training young people. Through partnerships with technical institutes and universities, we are actively bridging the gap between education and the workforce, preparing the next generation of professionals in our sector.

Looking ahead, we are fully aware of the challenges that await us, but our confidence in our ability to innovate and adapt remains unwavering. In a fast-paced world, the Tosto Group does not just keep up; we accelerate and chart the course.

I sincerely thank all our employees, customers, suppliers, and partners for their invaluable contributions. Your commitment is the fuel for our rocket ship toward the future.

"Forward Together" is not just a report. It is a promise, a vision, and an invitation to join us on this epic adventure. Together, we will continue to make a difference, creating sustainable value for our communities, our planet, and future generations.

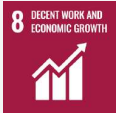
Buckle up. The journey has just begun.

Luca Tosto

A handwritten signature in black ink, appearing to be 'Luca Tosto'.

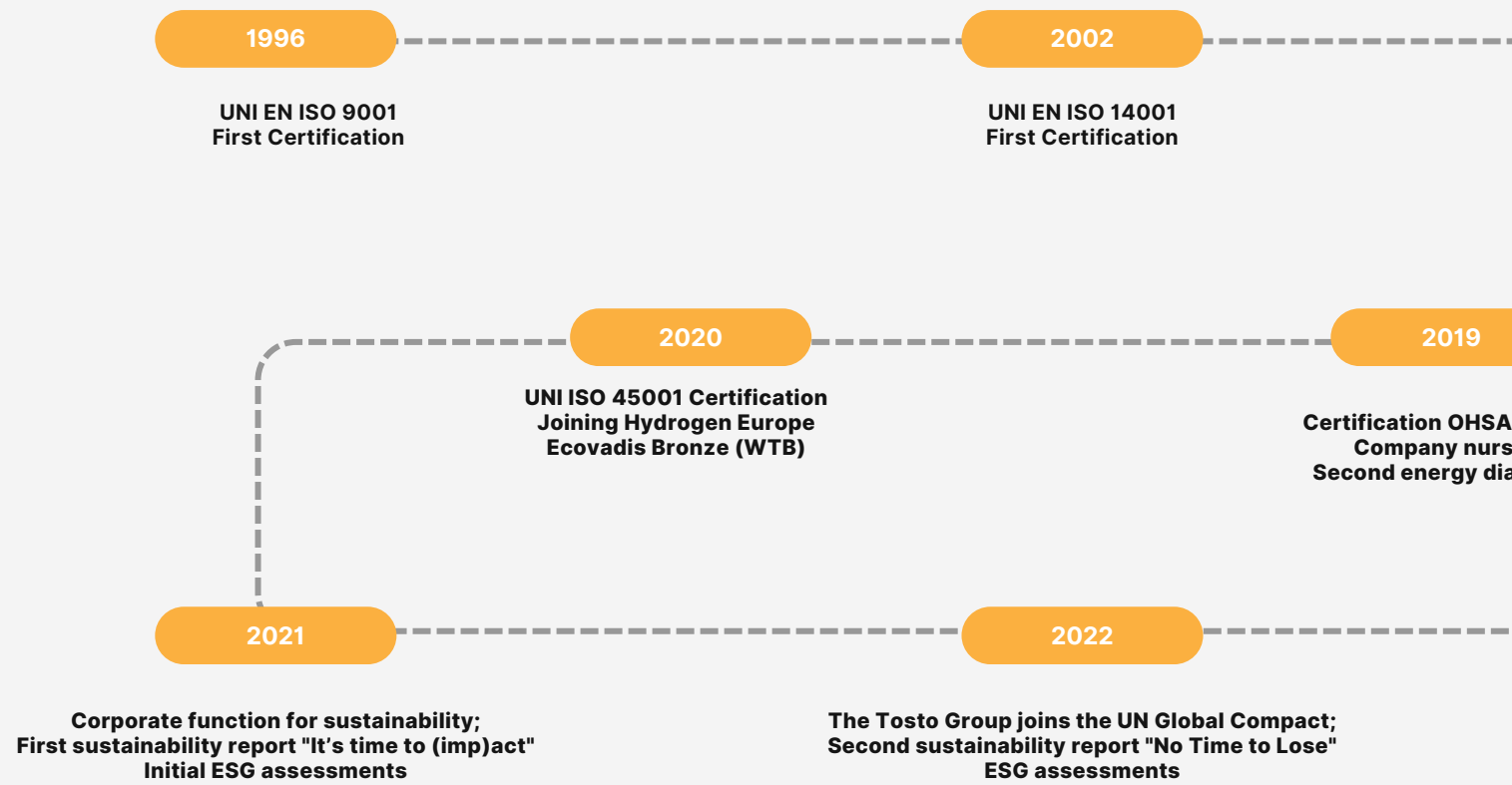
Sustainability highlights 2023

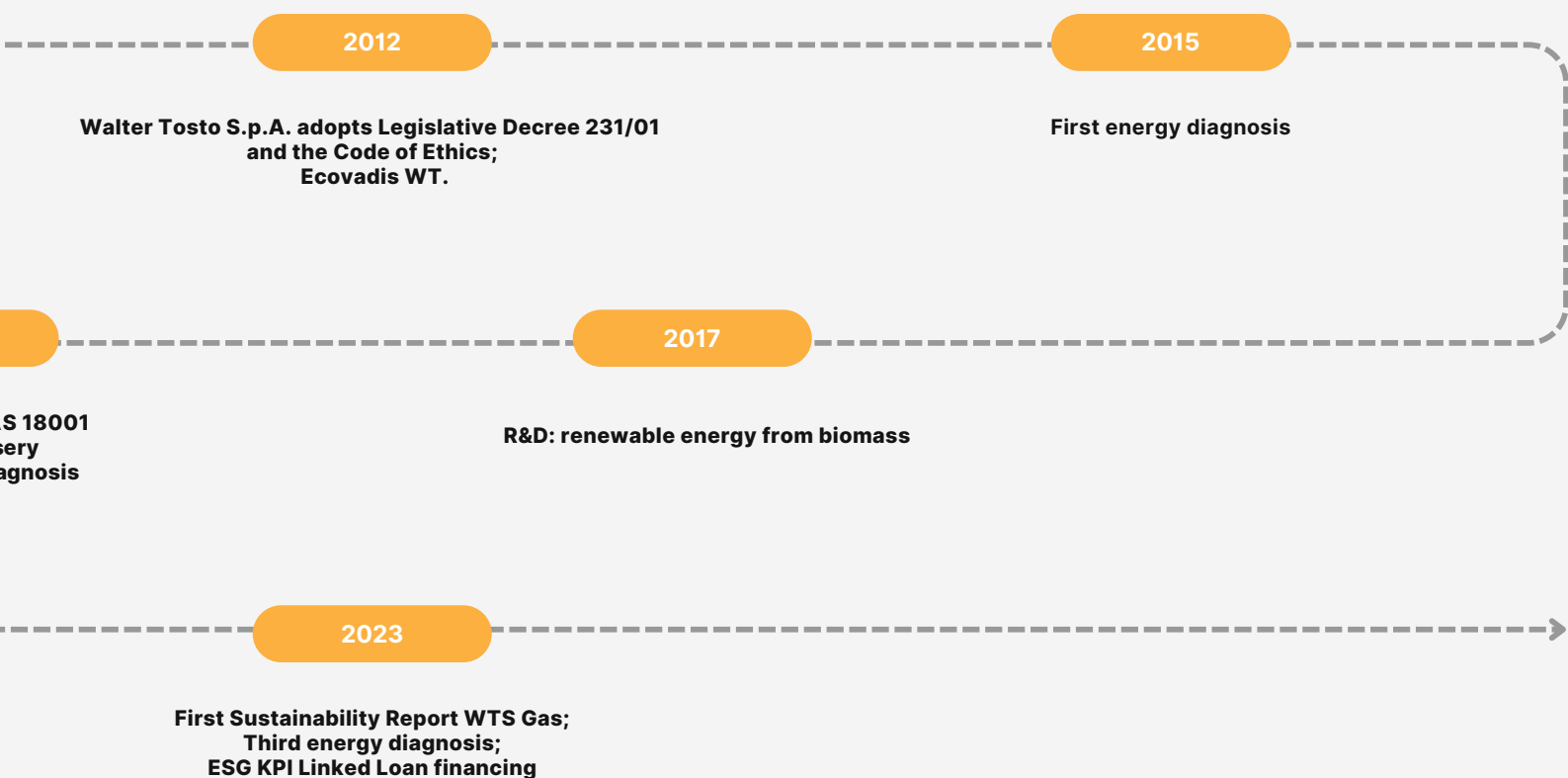
2-6

		u.m.	2023	2023/2022
Economic Highlights   	Total Revenue	k€	214.885	+34%
	Net profit	k€	5.944	+27%
	EBITDA	k€	31.947	+32%
	Value distributed to stakeholders	k€	53.244	+6%
	Investment in R&S	k€	3.678	+37%
People     	Employees	n.	1.107	+9,5%
	Hours Training	n.	90.476	407%
	Employees with an open-endend contracts	%	82	-5,8%
	Personnel aged up to 30 years old	%	49	+38%
	Cultural social donations	k€	247	-3%
	Suppliers	n.	> 3.000	=
	Procurement from domestic suppliers	%	75	+137%

		u.m.	2023	2023/2022
Planet  	Energy consumption	GJ	181.964	-6%
	Production of electricity from photovoltaic plants	MWh	1.770	+9%
	Emissions Scope 1 e Scope 2 (LB)	t CO ₂ eq	12.537,77	-7%
	Emission intensity	t CO ₂ eq / k€	6%	-30%
	Waste	t	5.882	-2%

Sustainability Path





Major events in 2023

February 3-15. Walter Tosto and Belleli Energy CPE participated in Egypts 2023 (Egypt Petroleum Show), the most important Oil & Gas exhibition and conference in the Mediterranean, which took place at the Egypt International Exhibition Center in Cairo. On this occasion, Walter Tosto and Petrojet – a leading EPC contractor in Egypt, North Africa, and the Middle East – renewed their cooperation agreement on Oil & Gas projects in Egypt.

February 21. WTB took part in the conference "Disinformation and Propaganda – Risk Factors in International Economic Relations," hosted by the "Dunarea de Jos" University of Galati, organized by the Euro-Atlantic Center for Resilience as part of the EU-funded project "Strategic Planning to Strengthen Resilience in the Face of Disinformation and Hybrid Threats."

March 6-8. Belleli Energy CPE, Walter Tosto, and Maraldi participated in the 36th edition of Nitrogen + Syngas 2023, the leading global event for the nitrogen and syngas industry, in Barcelona.

March 14-16. Walter Tosto was among the exhibitors at StocExpo in Rotterdam, the leading event for tank storage and the future fuel industry. The stand won the Best Stand 2023 award.

March 20. The CEO of Walter Tosto, Luca Tosto, attended the "Top 200 Abruzzo and Molise" event organized by PwC Italy, in collaboration with the Gabriele D'Annunzio University of Chieti and Pescara and the newspaper Il Centro – Quotidiano d'Abruzzo.

March 21. Walter Tosto participated in the AutoMotive Forum in Milan, an important event dedicated to the energy and ecological transition in mobility.





May 24-25. The Tosto Group participated in the National Welding Days (GNS12) in Genoa with a delegation of eight people from the companies Walter Tosto S.p.A. and Belleli Energy CPE S.r.l. On this occasion, a paper titled "Electron Beam Welding for Manufacturing Components for the Production of Green Energy" was presented.

June 21-22. Walter Tosto participated in the Nuclear Power Plants Expo and Summit 2023 (NPPES) in Istanbul, Turkey, as a Gold Sponsor. This prestigious event brought together renowned industry experts from around the world to discuss the future of nuclear energy and showcase the latest advancements in the field.

July 14. A day dedicated to recently graduated students from the "L. Di Savoia" Industrial Institute in Chieti, specializing in Mechanics, Mechatronics, and Energy – with a focus on boiler-making – was held at the Walter Tosto headquarters in Chieti Scalo.

September 5. Walter Tosto was a key participant in the "Selling Machinery in China" event, a roundtable organized by SACE, the Italian Export Credit Agency controlled by the Ministry of Economy and Finance, together with the Chinese importing company SUMEC, held in Milan.

September 14. Graduation of the little guests of the company nursery. Amy, Sveva, Giacomo, Riccardo, and Cristiano successfully completed their final year at the company daycare and proudly received their well-deserved diplomas.

September 25-29. Seastock was a Gold Sponsor at the Saudi Village event held in Rome.

October 5. Belleli Energy CPE participated in the Career Day at Unimore in Modena.

October 6-18. Walter Tosto and Belleli Energy CPE participated in the 3rd Energy & Sustainability Forum (ESF MENA) in Riyadh, Saudi Arabia. ESF MENA is a globally recognized event that brings together industry leaders to collaborate towards a more sustainable energy future.

November 15-17. Seastock was present at the Oil&NonOil Fair, the only event in Italy and the Mediterranean basin dedicated to operators in the fuel distribution supply chain.

November 28-30. Walter Tosto and Belleli Energy CPE participated in the Nuclear World Exhibition 2023, one of the most prestigious global events dedicated to the nuclear sector, which took place in Paris.

December 6. Walter Tosto participated in the event organized by the Embassy of Uzbekistan in Italy on the occasion of the 31st Anniversary of the Constitution of the Republic of Uzbekistan. During this event, Italian companies, including Walter Tosto S.p.A., were praised for their significant contributions to the Italian system and the economic progress of the Asian country.

December 12-14. Walter Tosto S.p.A. participated in the Green Hydrogen Summit Oman as a Silver Sponsor.

December 20. Walter Tosto S.p.A. supported the theatrical performance "House to House: The Story of the Battle of Ortona," which took place at the Tosti Theater in Ortona. This emotional narrative recounted the dramatic days of autumn-winter 1943, commemorating the stories of two brave Canadian soldiers, Gordon Yellow Fly and George Campion, Native Americans whose lives intertwined with the people of Ortona and those who fought in its streets.

ESG assessments in 2023

Throughout 2023, the Tosto Group continued to demonstrate its commitment to sustainability, achieving significant ESG (Environmental, Social, Governance) ratings and maintaining some previous certifications.

Walter Tosto S.p.A. received an ESG score of "B - Good" through the Synesgy platform on November 24, 2023, valid until November 23, 2024. This score indicates a good level of compliance with ESG principles, aligning with both national and international best practices. In parallel, the company participated in the CDP (Carbon Disclosure Project) evaluation on climate change, receiving a "D" score in the Disclosure band.

Moreover, other important evaluations were still valid in 2023:

1. Walter Tosto S.p.A. had obtained a sustainability score of 81/100 on the Open-es platform on November 11, 2022, demonstrating particularly high performance in the areas of Prosperity (92/100) and People (84/100).
2. Belleli Energy Critical Process Equipment S.r.l. had received an overall "C" rating (satisfactory level of sustainability) from Synesgy on October 24, 2022, valid until October 25, 2023. The company stood out especially in the areas of Business (A) and Governance (B).
3. Walter Tosto WTB SRL had received an overall "C" rating (satisfactory level of sustainability) from Synesgy on December 27, 2022, valid throughout 2023. The company showed excellent performance in the Business area (A) and good performance in the Environment area (B).
4. Walter Tosto WTB S.r.l. had also received an EcoVadis evaluation on May 31, 2022, valid until May 31, 2023, obtaining a silver medal with an overall score of 60/100.

This result places the company in the 81st percentile, indicating that its sustainability performance is higher than 81% of all companies evaluated by EcoVadis in this sector. The company achieved particularly positive results in the areas of Environment (70/100) and Labor Practices & Human Rights (60/100), demonstrating a significant commitment to environmental and social sustainability.

While highlighting areas of excellence, the results also provide valuable insights into where to focus future efforts for continuous improvement in ESG performance.

ESG assessment platforms



identity

Vision, Mission
Shared Values
The Companies of the Tosto Group
Key Sectors
Products
Business of the Future

Vision

2-23

To establish ourselves as a leading global industrial group, a pioneer in innovation and energy transition. We aspire to shape the future of the industry by anticipating market challenges and creating cutting-edge solutions for a more sustainable world.

Mission

2-24

Creating sustainable value through the strategic management and development of our companies in the energy and boiler-making sectors, enhancing the quality of products designed and Made in Italy. We aim for operational excellence, technological innovation, and environmental and social responsibility in all our activities."

"Creating sustainable value through the strategic management and development of our companies in the energy and boiler-making sectors, enhancing the quality of Made in Italy."

- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation, and Infrastructure
- SDG 12: Responsible Consumption and Production



"We aim for operational excellence,"

- SDG 9: Industry, Innovation, and Infrastructure

"technological innovation"

- SDG 7: Affordable and Clean Energy

"and environmental responsibility"

- SDG 13: Climate Action



"and social responsibility"

- SDG 3: Good Health and Well-Being
- SDG 4: Quality Education
- SDG 17: Partnerships for the Goals



Shared values



/ Excellence and Quality

We pursue the highest standards in all our products and services, without compromise.

/ Safety and Sustainability

We prioritize safety in every operation and are committed to sustainable development.

/ Innovation and Flexibility

We balance tradition and progress, quickly adapting to new market challenges.

/ Development of people

We invest in the development of our employees and actively contribute to the well-being of the communities in which we operate.

/ Integrity and Transparency

Operiamo con onestà e chiarezza, promuovendo una comunicazione aperta a tutti i livelli.

The companies of the Tosto Group

2-1

2-2

This is the story of **Walter Tosto S.p.A.**, a company that, under the skilled leadership of its founder in the past and its current CEO, has risen to become a symbol of **technological excellence in the production of high-quality pressure equipment**, earning a place of honor in both Italian and global industrial history.

Walter Tosto S.p.A. has experienced remarkable growth over its 64-year history. Starting as a small manufacturer of tanks for the local agro-food industry, it gradually expanded its production. It initially moved into LPG and fuel tanks, and then evolved into designing and producing critical components for various industries, including Petrochemical, Oil & Gas, Power, Food & Pharma, and LPG & Fuels. Today, the company stands as a global leader in the heavy boiler manufacturing sector.

With an annual turnover of approximately **110 million euros**, over **500 employees**, assets worth **200 million euros**, and reserves of **35 million euros**, Walter Tosto S.p.A. exports to 55 countries. Its operations are managed from six facilities in Chieti, a workshop at the Port of Ortona with direct access to the sea, and, through its subsidiary Walter Tosto WTB, from two plants in **Romania**, located in **Bucharest** and **Oltenița**, the latter featuring a private port on the Danube for logistics operations.

The company's growth and expansion are further demonstrated by the presence of WTS GAS, which specializes in the commercialization and distribution of LPG.

The acquisition of **Belleli Energy CPE**, renowned for the design and production of heat exchangers and reactors for the energy industry, has further strengthened the group's position in the sector. Additionally, **Seastock** secured the Coastal Terminal of Depositi Costieri Trieste, expanding its capacity in the storage of energy petroleum products and mineral oils.

The companies have kept pace with the times, pioneering in their respective sectors and proudly celebrating the milestones achieved, while looking ahead to a future of further success and innovation.

*Without energy,
there is no life*

- Luca Tosto

HISTORY OF TOSTO GROUP

60s and 70s

Foundation and First Steps



The Tosto Group began its journey in 1960 when Walter Tosto founded a sole proprietorship, establishing a small workshop specializing in railings and grilles in the **Pescara Colli** area with a limited group of collaborators. Within a decade, the company experienced remarkable growth, reaching a workforce of fifty employees.

Driven by his forward-thinking vision, Walter Tosto made the strategic decision to relocate the business from Pescara, his hometown, to **Chieti**, an area with more promising industrial prospects. This choice proved to be a winning move, as the Chieti headquarters remains the **nerve center of the Group to this day**.

The acquisition of larger spaces and the construction of a bending machine enabled the company to start producing the **first tanks** for local wineries and olive oil mills.

While maintaining its structure as a sole proprietorship, the company worked diligently, steadily growing thanks to the expertise and dedication of the carefully selected staff under Mr. Tosto.

The company scrupulously fulfilled its contractual commitments, further expanding its production of tanks for national clients and reinvesting profits into the acquisition of **advanced technologies**.

80s and 90s

Innovation and growth



1984 marked a turning point for the Tosto Group, then known as "WTS" (Walter Tosto Serbatoli, now Tosto S.r.l.). With a team of over 180 employees and a revenue of several billion lire, the company transitioned from a sole proprietorship to a **joint-stock company**.

During its first decade as a joint-stock company, the company focused on the **Italian market**, launching the revolutionary "**Amico GPL**," a patented tank for Liquefied Petroleum Gas (LPG). This innovative product, a small double-walled pressure vessel for containing LPG, ensured not only user safety but also **environmental respect**. This forward-thinking development highlighted the company's commitment to **sustainability**, positioning it as a pioneer in the field.

During the same period, the company also began producing its first **large LPG tanks**. In **1996**, **Walter Tosto** made a significant decision for the company's future: he passed management to his son Luca, appointing him as CEO. This **change in leadership** represented an important **generational shift** that marked the beginning of a new phase of development and strategic direction.

Luca Tosto maintained the company's **pragmatic and concrete approach**, driving **innovation** and **technical evolution**. During his tenure, the company obtained its **first UNI EN ISO 9001 quality certification**.

2000 - 2020

Expansion and diversification



The entry into the third decade marked a fundamental chapter in the history of the Tosto Group. The acquisition and restructuring in 2000 of the Ortona facility, located in the port on the Adriatic Sea, significantly improved the logistics and transportation of large products. In 2001, the acquisition of Bosco Industrie Meccaniche enhanced the company's capabilities, especially in the design and production of heat transfer equipment.

The year 2002 saw two more key developments: the start of production for the Oil & Gas sector and the attainment of **ISO 14001** certification, affirming the company's commitment to environmental sustainability.

However, the turning point came in 2007 when the historic operating company transformed into a mixed industrial holding, Tosto S.r.l. During this period, the redistribution of operational branches into new entities occurred, such as Walter Tosto S.p.A. and WTS Gas S.p.A., with the holding maintaining a role of control and coordination. This new organizational structure allowed for the definition of corporate policies and strategies while ensuring the operational autonomy of the controlled companies.

This evolution marked a significant step in the management and expansion of the Group, strengthening its position in both national and international markets.

2021 - Today

New frontiers



As part of a horizontal diversification strategy, on December 29, 2020, Seastock S.r.l., belonging to the Tosto Group, acquired a business unit from an ongoing bankruptcy procedure. This acquisition involved a strategic energy hub located in Trieste, right on the dock of the industrial port. This move not only saved the company "Depositi Costieri di Trieste in bankruptcy," but also opened new opportunities for growth and development for the Group.

The year 2022 marked the second year of management for this new entity, focusing on optimizing storage processes. This period was characterized by significant investments in safety, innovation, and technology, true to the "Tosto" style—a distinctive hallmark of the corporate philosophy that emphasizes quality and innovation. These initiatives further strengthen the position of the Tosto Group as a leader in the sector, highlighting its ability to adapt and thrive in a dynamic and ever-evolving market context.



BEYOND NATIONAL BORDERS: WALTER TOSTO WTB

The new generation of entrepreneurs at the Tosto Group has significantly broadened the company's horizons, reaching markets well beyond national and European boundaries, thereby consolidating a strong international presence. A shining example of this expansion is the presence in Romania. Although a small engineering company had been active since 1999, it was in 2012 that the Group took a decisive step by acquiring FECNE, a historic company in the sector. Renamed Walter Tosto WTB S.r.l., this company is now a thriving subsidiary of Walter Tosto S.p.A., growing in synergy with its parent company in Italy.

In 2020, Walter Tosto WTB made another significant advancement by acquiring the Griro brand, which boasts a century-old tradition with over 120 years of experience in manufacturing process equipment. The integration of Griro brought significant benefits, enabling the transfer of valuable know-how and expanding the Group's industrial area. Also noteworthy is the recent opening of a branch in Turkey, specializing in the placement of qualified personnel in Romania.

Today, Walter Tosto WTB positions itself as a leading company, with a strong emphasis on technological innovation. With a team of over 200 employees and two facilities in Bucharest and Oltenita, it has achieved remarkable production levels. The success of Walter Tosto's business model in Italy has provided a solid reference for the structuring and organization of its Romanian subsidiary.

In line with the parent company, located near the Adriatic Sea in Ortona, the Romanian branch benefits from a strategic position on the Danube, optimizing the production and transportation of large equipment and thus enhancing the operational efficiency of the company.

EXPANSION AND STRENGTHENING: BELLELI ENERGY CPE S.R.L.

As part of its expansion strategy, in 2016, the Tosto Group made a significant advancement by acquiring full control of Belleli Energy Critical Process Equipment S.r.l. in Mantova. This move leveraged the Group's solid economic foundation and its growing reputation in the industry.

The inclusion of Belleli Energy CPE in the Tosto family portfolio was a strategically significant step. Through this acquisition, the Group incorporated the expertise and market presence of a leading competitor, equipped with international qualifications and reputations that further enriched the profile of Walter Tosto S.p.A. Belleli, with its over 75 years of history and strong customer esteem, has become a key asset for the Group's expansion.

Eight years into this venture, which has seen the introduction of joint management between external and internal managers, the relaunch project for Belleli Energy can be considered a success.

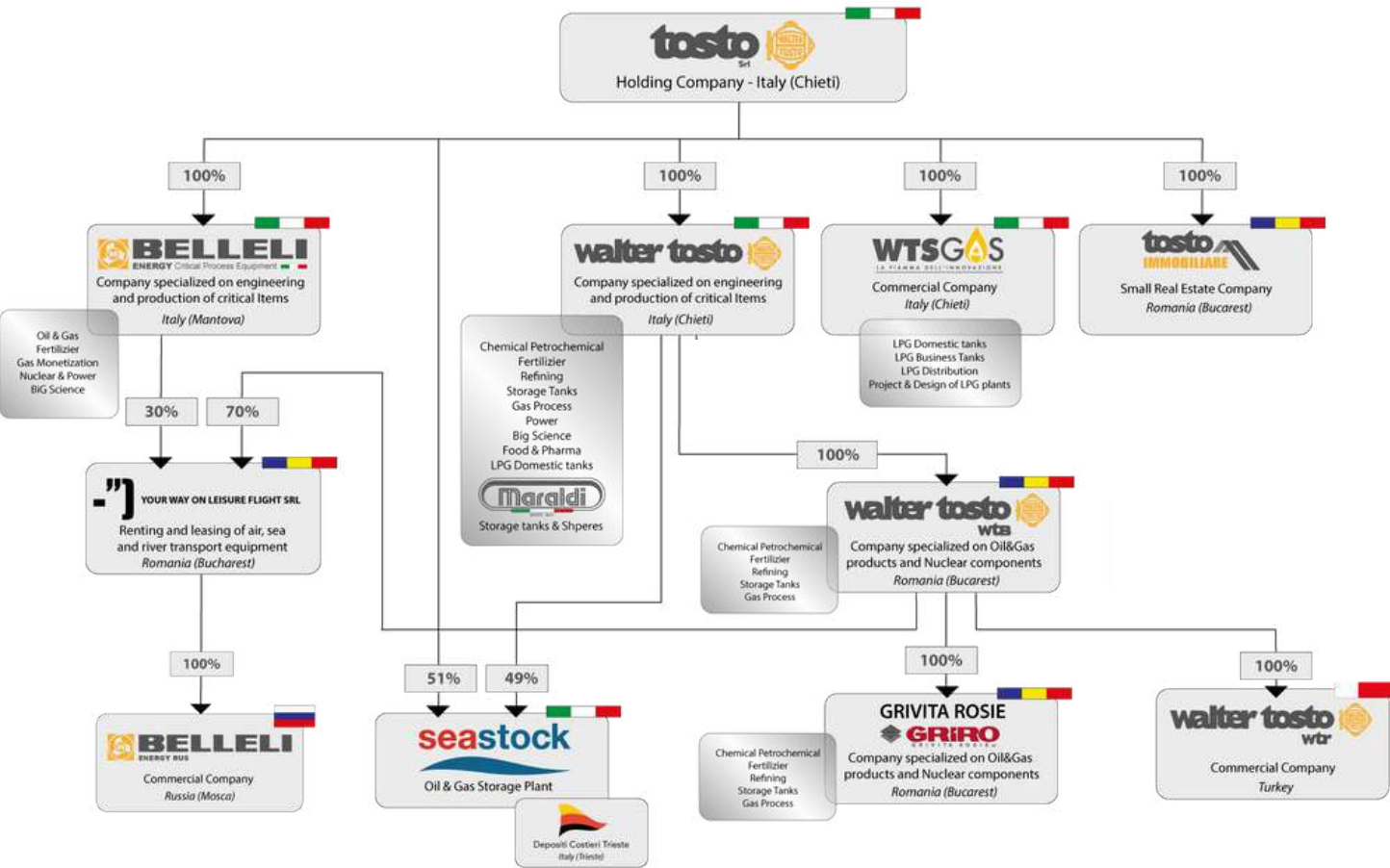
The company has become active again on an international level, investing in research and innovation. Key initiatives include the development and patenting of new welding processes, the recruitment and training of young talents, technological upgrades of facilities, the purchase of new equipment, and a renewed commitment to safety.

Belleli, in collaboration with the other manufacturing companies within the Group, is engaged in large-scale projects and contracts globally, showcasing the success of the expansion and innovation strategy adopted by the Tosto family.

In 2019, Walter Tosto S.p.A. took another important step by acquiring the prestigious Italian brand Officine Maraldi, a key player in the industrial components sector with significant capabilities in energy storage, thereby further strengthening its position in the petrochemical industry.



ORGANIZATION CHART





HEAVY ENGINEERING



Company specialized on engineering and production of critical Items

Chieti, Italy



Storage tanks & Spheres

Chemical Petrochemical • Fertilizier • Refining • Storage Tanks • Gas Process Power • Big Science • Food & Pharma LPG • Domestic tanks



Company specialized on Oil&Gas products and Nuclear components

Chemical • Petrochemical • Fertilizier Refining • Storage Tanks • Gas Process

Bucharest, Romania



Commercial Company
Turkey



Company specialized on engineering and production of critical Items

Oil & Gas • Fertilizier • Gas Monetization
Nuclear & Power • BIG Science

Mantova, Italy



Company specialized in Oil&Gas products and Nuclear components

Bucharest, Romania

MARKETING AND DISTRIBUTION OF LPG



Commercial company Chieti, Italy

LPG Domestic tanks • LPG Business Tanks
LPG Distribution • Project & Design of LPG plants

STORAGE OF PETROLEUM PRODUCTS, ENERGY PRODUCTS, AND MINERAL OILS



Oil & Gas storage plant
Trieste, Italy



Depositi Costieri Trieste
Trieste, Italy

REAL ESTATE



Small Real Estate Company
Bucharest, Romania

OTHER SERVICES



Renting and leasing
of air transport equipment
Bucharest, Romania

Currently led by **Luca Tosto**, the Tosto Group is comprised of eleven companies with locations both in Italy and abroad. These companies, working together, generate consolidated revenues of over 220 million euros and employ more than 1,100 people. Despite their diversity and geographical dispersion, all companies within the Tosto Group share a common corporate philosophy focused on socially sustainable development.

The pillars of this philosophy are **quality, innovation, transparency, and flexibility**.



1.153
EMPLOYEES



220.310.014mln*
VALUE OF
PRODUCTION



707.462.129€*
TOTAL BUDGET

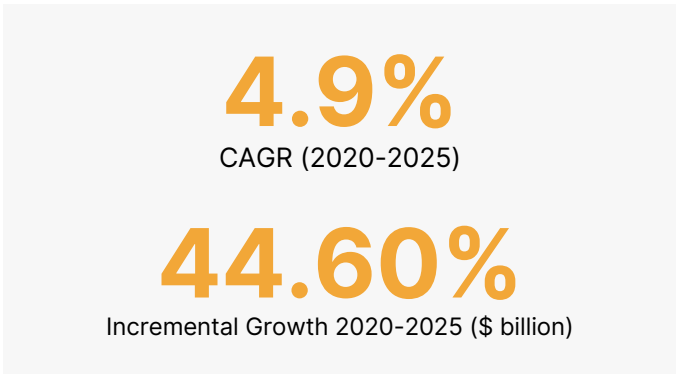
*the data refer to the 2023 consolidated financial statements

Reference sectors

2-6

The boiler sector, recognized by the Ministry of Foreign Affairs and International Cooperation as a symbol of Italian excellence in Made in Italy (2021), is an impressive economic engine. With 23,000 direct employees and an additional 30,000 in related industries, as highlighted by data provided by AIPE in 2021, this sector reflects the importance and craftsmanship of the Italian manufacturing tradition.

Based on the study “Pressure Vessels Market by End-user and Geography - Forecast and Analysis 2021 - 2025,” commissioned from Technavio and released in 2022, the global pressure vessels market experienced a growth phase in 2020 and is expected to see further growth through 2025. The market outlook developed by studying the combined impact of factors driving growth, along with the challenges faced by the sector, shows a compound annual growth rate (CAGR) of 4.98% between 2020 and 2025.



The global pressure vessels market was valued at \$162.21 billion in 2020 and is estimated to grow to \$206.81 billion by 2025. This will create an incremental growth opportunity of \$44.6 billion between 2020 and 2025, which represents about 28% of the market size in 2020. In this limited growth environment, suppliers must be both aggressive and defensive in leveraging available growth

opportunities. With limited growth prospects, gaining market share from competitors will be a significant means of driving growth for market participants.

The overall growth of the global pressure vessels market is based on steady growth throughout all the years of the forecast period between 2020 and 2025. Year-over-year growth will vary between a range of 6.23% and 3.92%, indicating an element of volatility in the overall growth.



The pressure vessels market is segmented into the following categories:

- Power generation
- Chemicals
- Oil and gas
- Others

The segments were classified based on their market size in 2020. Power generation was the largest segment, while others represented the smallest segment in 2020. The market positions of two of the segments will change by 2025.

The ranking of three of the segments will remain the same by 2025, indicating that the market composition will undergo moderate changes.

The Environmental Impact on the Heavy Engineering Market.

The issue of carbon emissions generated by the combustion of fossil fuels has been widely discussed over the past two decades.

The Kyoto Protocol was the first international treaty signed in 1992 to reduce greenhouse gas (GHG) emissions. However, it failed to achieve its objectives. After years of efforts by United Nations countries, such as the United States, France, and the United Kingdom, more than 187 countries signed COP21 in France in December 2015. The signatories collectively agreed to limit global warming and keep the global temperature within 1.5 degrees Celsius above pre-industrial levels. COP21 was also significant because, for the first time, wealthy nations committed to raising \$100 billion annually by 2020 to help poorer countries transform their economies.

Each country had to declare the necessary steps to reduce greenhouse gas emissions and set targets to achieve them. Additionally, the signatories are mandated to review and report on progress within a few years. Although the plans of individual countries to reduce emissions should show long-term results, the impact of such decisions should be visible in the medium-term future.

Many countries are working to reduce greenhouse gas emissions by decreasing the use of fossil fuels and utilizing electric vehicles (EVs), biofuels, and natural gas in the transportation sector. In power generation, countries should expand the use of hydropower, wind, solar, and nuclear energy.

A potential decline in the market share of fossil fuels in energy production will lead to a corresponding decrease in the demand for boilers. Consequently, the market for boiler water treatment systems will also be affected.

Market Trends. The growth of the nuclear sector is supported by its high reliability in providing uninterrupted and continuous energy, with the capacity to produce power year-round. Additionally, nuclear energy provides clean, carbon-free electricity, contributing to carbon emission reduction goals for many nations. For countries with low fossil fuel reserves, nuclear energy is a significant contributor to power generation, as the cost of importing fossil fuels or electricity would be much higher, leading to low adoption of such alternatives. Therefore, growth in the nuclear energy sector will translate into growth in the pressure vessels market during the forecast period.

The increasing demand for **renewable energy** sources, such as geothermal and wind energy, is driven by their clean and inexhaustible nature. These sources do not produce greenhouse gases or toxic emissions, thus helping to combat climate change and making renewable energy one of the most reliable energy production sources. According to the International Energy Agency (IEA), global electricity demand is expected to grow by 60%-70% by 2040 due to population growth and rapid industrialization. Additionally, the volatility of global fossil fuel prices is expected to drive the demand for renewable energy sources for electricity generation during the forecast period.

As a result, investments in nuclear and wind energy are significantly increasing, making a substantial contribution to the growth of the pressure vessels market in the European energy industry.

Hydrogen is considered a promising solution for harnessing solar and wind energy into a clean, efficient, and versatile fuel. Its ease of transport, storage, distribution, and use makes it a valuable resource, as it is unlimited and clean. This element can extend the use of renewable energies even in complex sectors like industry.

Currently, hydrogen accounts for only about 3% of global energy consumption, and only a small amount, approximately 0.01% of this, is used as an energy carrier (around 1,000 tons per year). However, the growing interest in its potential as a clean energy source is remarkable, as it can significantly contribute to the reduction of greenhouse gas emissions. The large-scale adoption of hydrogen as an energy carrier could represent an important solution to the challenges posed by climate change and sustainable energy.

According to the analysis by the Intergovernmental Panel on Climate Change (IPCC), limiting global warming to 1.5°C will require the combined use of new and existing technologies, including the use of hydrogen alongside electrification. This perspective will influence the potential demand for hydrogen in the future. It is estimated that global hydrogen demand could rise to 650 million tons per year, representing about 14% of the world's energy needs, although some more conservative estimates suggest demand will range between 180 and 275 million tons per year. Compared to current demand, this corresponds to an increase of between 160% and 570%.

In 2018, hydrogen production was approximately 115 million tons, with 27% produced from coal, 70% from natural gas, and only 1% from electrolysis. The remaining 2% was produced through other technologies. However, despite the still small size of the fuel cell industry, significant growth rates have been recorded in recent years.

With energy demand continuously growing worldwide, the use of electricity is significantly increasing, especially in developing countries. These growth rates project that electricity demand in developing countries will rise by about 400% by 2025. In this context, fuel cells could play an important role, further stimulating the growing demand for hydrogen.

The R&D efforts of Tosto Group companies are aligned with global strategies, such as those proposed by the International Energy Agency (IEA), to drive the transition to clean energy. The companies are committed to innovation and market reform to promote sustainable solutions, including renewable energy, hydrogen, circular economy, low-carbon solutions, and energy efficiency.



WTS GAS S.p.A. operates in the retail sale and distribution of LPG (Liquefied Petroleum Gas), a growing global market. LPG, derived from oil refining, is valued for its energy efficiency and low emissions. According to the latest report from the World LPG Association (WLPGA), the global LPG market surpassed \$110 billion in 2023, with an annual growth of 4.5%. This positive trend is driven by increasing demand in developing countries and the adoption of stricter environmental policies in advanced economies.

In Italy, LPG is widely used in transportation, domestic heating, and industry. The National Electromechanical Union (UNEM) reports that in 2023, LPG vehicles represented 10.2% of the circulating fleet, marking an increase from 9% in 2022.

The sector faces challenges such as the need to modernize infrastructure and educate the public about the advantages of LPG. However, the opportunities are significant, especially in relation to the European Union's decarbonization goals. A recent study by the Higher Institute for Environmental Protection and Research (ISPRA) highlighted that the use of LPG could contribute to a reduction in CO₂ emissions of up to 15% compared to traditional fuels in the transportation sector.

The future of LPG in Italy and worldwide looks promising, thanks to its role as a transition fuel toward a low-carbon economy. Investments in research and development are also exploring the production of bio-LPG, opening new prospects for the sector.

Seastock S.r.l. operates in the logistics and storage of energy products, a crucial area for the efficiency of the global energy supply chain. The company plays a key role at the interface between maritime, rail, and road transport, offering multidirectional linking services for energy products. This sector is characterized by constant demand, given the strategic importance of energy products in the global economy. According to the International Energy Agency (IEA), global petroleum

product trade reached 65 million barrels per day in 2023, highlighting the need for efficient logistical infrastructures. The energy storage and logistics sector is undergoing a significant transition phase. A report by McKinsey & Company in 2023 predicts a growing demand for flexible infrastructures capable of managing both traditional fuels and alternative energy sources.

Key Trends in the Sector:

- Digitalization: Implementation of IoT and blockchain technologies to improve traceability and operational efficiency.
- Sustainability: Increasing focus on adapting infrastructures to manage biofuels and low-impact fuels.
- Safety: Investments in advanced technologies for accident prevention and environmental protection.

The World Energy Council estimates that global investments in energy infrastructures, including storage and logistics, will reach \$1.5 trillion annually by 2025. This highlights the strategic importance of companies operating in this sector.

Future Challenges in the Sector Include:

- Adapting to increasingly stringent environmental regulations
- Managing the volatility of energy markets
- Integrating new technologies to optimize operations

In this dynamic context, companies like Seastock S.r.l. are positioned to contribute to the efficiency and sustainability of the energy supply chain. The sector offers significant opportunities for growth and innovation, especially in light of the global energy transition and optimization of logistical processes.

Products

The companies Walter Tosto S.p.A., Belleli Energy CPE S.r.l., and Walter Tosto WTB S.r.l. today represent a consolidated and fundamental core of the Tosto Group's business, becoming a reference point for a niche clientele that requires reliable manufacturers of "critical" equipment for complex processes.

With a history that traces back to 1947 with the founding of Belleli, followed by the start of Walter Tosto's activities in 1960, the group's companies boast decades of experience in the production of cutting-edge and durable process equipment.

Their offering includes a wide range of products such as Heavy Wall Hydrocracking reactors, Hydrotreating reactors, HP Separators, HP Heat Exchangers (Breech-lock), Large columns & Heavy drums, Tubular Reactors (EO reactors, Methanol reactors), Polymerization reactors, Claus reactors, CTL/GTL Fischer Tropsch reactors, Oxychlorination reactors, EB/SM Styrene Reactors, Ammonia converters, HP Urea Equipment, Coke drums, Waste heat boilers, and Condensers. These products are used in crucial sectors such as Refineries, Fertilizer production plants, chemical and petrochemical plants, nuclear facilities, and power plants.



Our satisfaction has grown as we have witnessed the increasing importance of the contracts that the Group establishes directly with leading entities in the energy, fertilizer, chemical, nuclear, and "Big Science" sectors, as well as in new sustainable areas such as the production and storage of zero and low carbon emission hydrogen.

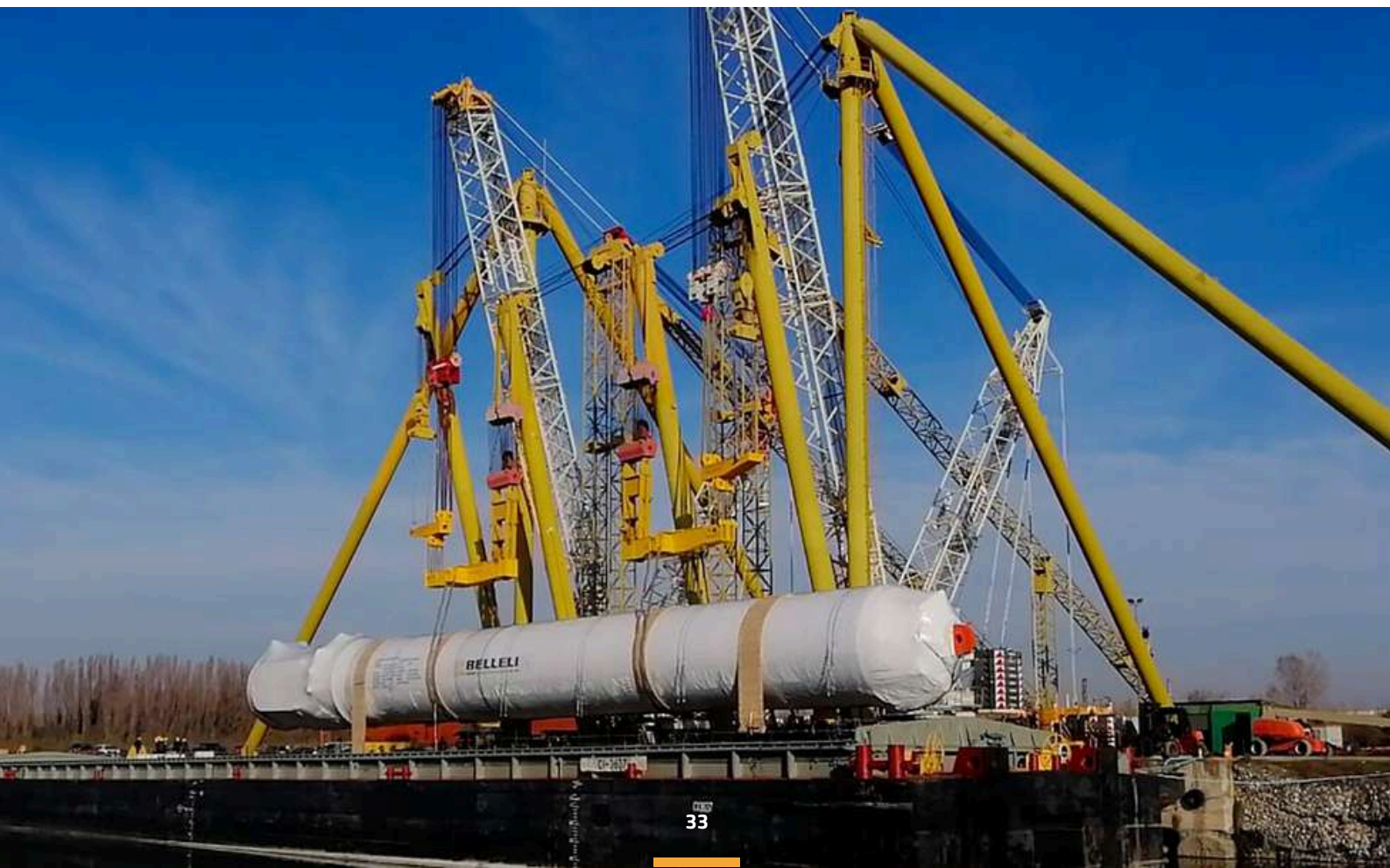
CORE BUSINESS

Without a doubt, today, Walter Tosto and Belleli are recognized as world leaders in the supply of large and heavy equipment for the Oil & Gas, Chemical, Petrochemical, and Energy sectors, distinguished by their production processes. These companies are among the major international players in terms of **production capacity, logistics, innovation, technology, flexibility, and know-how**, positioning themselves alongside the most important multinational groups.

Specifically, they have extensive experience and strong business relationships with END USERS (final users) of technologies worldwide, operating in sectors such as refining, chemicals and

petrochemicals, gas monetization, and fertilizers, as well as with LICENSORS (licensees of key process technologies for which they provide proprietary critical equipment) and major EPC (Engineering, Procurement, and Construction) companies on an international scale.

The manufacturing conglomerate of the Group effectively competes in international markets, signing contracts worth over 100 million euros for individual projects from clients of exceptional significance.



Oil & Gas, Chemical & Petrochemical Area

Walter Tosto S.p.A. stands out in the Oil & Gas, Chemical, and Petrochemical sectors for its high-level expertise in the design and manufacture of critical components for high pressure and high temperature applications. Areas of specialization include hydrocracking, hydrotreating, desulfurization, gas treatment, polymerization, as well as reactors for the synthesis of ammonia, methanol, urea, maleic anhydride, and ethylene oxide. These competencies make the company a qualified and expert supplier for refineries and chemical and petrochemical industries. The company is capable of producing components using the most innovative and advanced materials in the industry, including low-alloy chrome-molybdenum-vanadium steels, nickel alloys, titanium, and stainless steels.

All products are manufactured in accordance with the main **international codes** established for mechanical design and production, thus ensuring **high quality standards and safety** in their use.

LPG & Fuels Area

In addition to producing complex and large-scale equipment, Walter Tosto S.p.A. also manufactures small pressure vessels intended for private clients.

Recognizing the importance of a comprehensive service, Walter Tosto S.p.A. offers a range of ancillary services to enhance the customer experience, which includes:

- Transport to the installation site;
- After-sales support;
- Consulting and intervention in case of anomalies or malfunctions of supplied products;
- Supervision during the installation phase;
- Training for customer personnel on the use and maintenance of supplied products;
- Provision of spare parts.

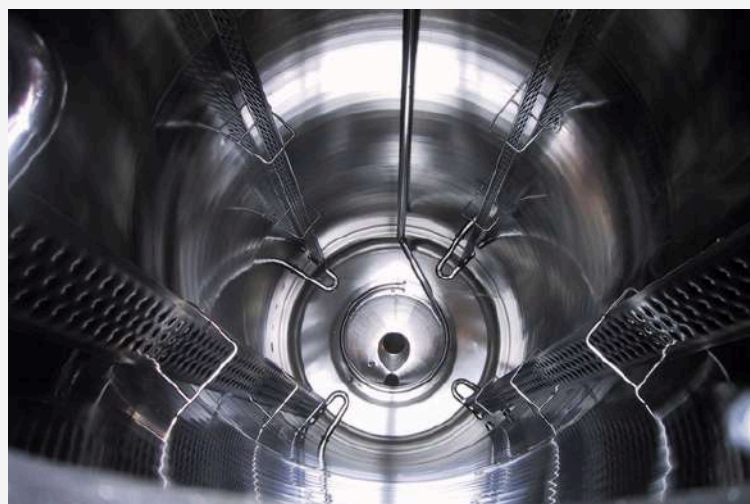


Food & Pharma Area

Walter Tosto S.p.A.'s specialized skills in stainless steel and special alloys have led to the establishment of the Food & Pharma division. This division is dedicated to the production of tanks for containing food and beverages (such as juices, soft drinks, wine, and oil), as well as products for the cosmetic, chemical, and pharmaceutical industries.

Founded in 2000, the Food & Pharma division has become a key partner for major companies in the food, beverage, chemical, and pharmaceutical sectors. Its activities focus on producing items related to health, addressing specific process needs and strict hygiene and cleanliness requirements.

The specificities of these sectors require the construction of tanks and vessels with unique production characteristics and very high standards. Walter Tosto's extensive experience in these fields, combined with the use of advanced technologies, enables the design and manufacture of high-quality tanks with tailored solutions for mixing, heat exchange, surface finishing, and cleaning.



Business of the future

The renowned expertise in "high-quality boiler manufacturing" continues to be a fundamental pillar of the Group's offering in the international market. However, the necessity and urgency of making long-term strategic choices have led the Tosto Group to plan the expansion of its product offerings, taking into account the contributions they can make to environmental, ethical, and social issues. The market demands less polluting technological equipment and pushes for the production of innovative products, such as the new generations of nuclear plants and items related to the "large-scale projects" in the fields of **clean energy** and **"green production"**.

As a result, the Tosto Group's business has undergone significant **transformations**, particularly in the last decade, shifting from the **exclusive Oil & Gas sector to more sustainable markets and innovative fields**.

Walter Tosto is indeed ready to embark on new paths, always keeping a careful eye on the past to leverage the experience accumulated over the years. An evident example of this change is participation in **nuclear energy** projects, demonstrating the adaptability and continuous evolution of the company's activities, which have constantly evolved.

In particular, Walter Tosto S.p.A. has **expanded its product range, innovated its production processes, and gained access to new and important markets**.



POWER: CONVENTIONAL, NUCLEAR, AND RENEWABLE ENERGY

Walter Tosto S.p.A. has established itself as a producer of next-generation nuclear power plants based on various technologies, including critical components for primary and secondary circuits for heat transfer, as well as key components supporting the turbine.

The Tosto Group recognizes the strategic importance of nuclear energy as a continuous source of virtually zero CO₂ emissions.

The Group anticipates significant growth in the nuclear sector both in the short term and the medium to long term. This strategy aligns with the objectives of the European Green Deal, aiming to actively contribute to achieving its ambitious goals by 2050.

This strategic vision unifies the approach of the Group's companies towards a more sustainable energy future.



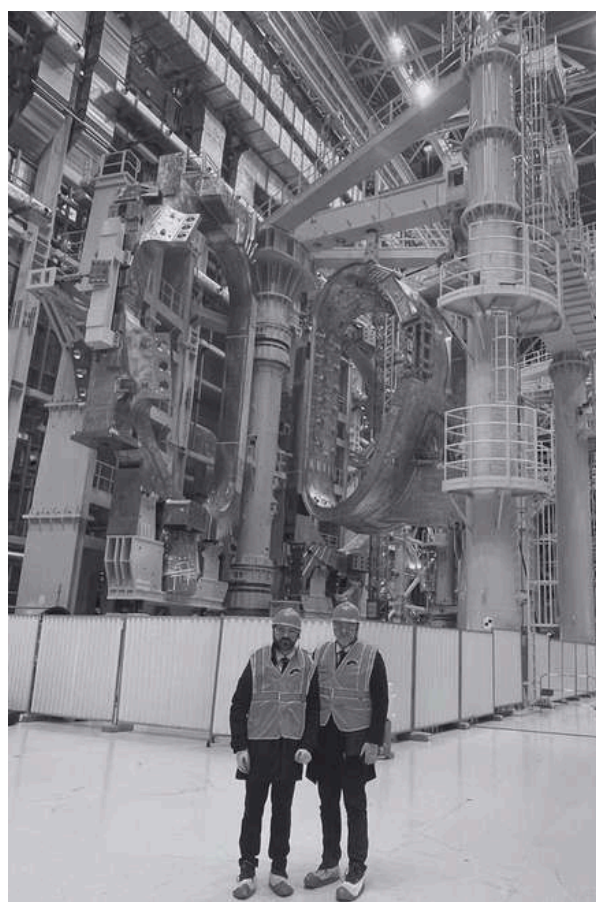
Nuclear Fusion and Fission

In the field of **nuclear fission** and **Small Modular Reactors (SMRs)**, it is important to highlight that both Walter Tosto S.p.A. and Belleli Energy CPE S.r.l. have been recognized by their clients as strategic partners. This recognition is due not only to their renowned capability and quality in manufacturing but also to their expertise in project development and the management of complex systems. Such acknowledgment has enabled the companies to qualify not only as builders but also to participate in projects as **main contractors**, engaging directly with power plant operators. In 2023, several collaborative relationships were initiated with major vendors for the construction of new plants in Europe and North America.

In parallel, significant qualification processes have been started with key licensors for SMRs. The Tosto Group companies aspire to become **global partners** in the production and development of at least two different technologies in this area.

The selection process for these projects is rigorous, medium-term, and essential. According to current projections, SMRs could represent the technologies that will ensure energy stability during the transition towards **net-zero goals**. If energy demand projections hold true, we could see a rapid increase in the demand for **SMR plants** in the coming years.

Both Walter Tosto and Belleli will be ready to meet this demand, having invested timely in a promising sector. The joint approach of the two companies strengthens the Tosto Group's position in the nuclear sector, promising an effective and competitive response to future energy challenges.



Big Science: ITER

The adventure in the field of Big Science, particularly with the ITER project, began over fifteen years ago, with targeted investments that laid the groundwork for the future. In 2010, the **AMW consortium**, which included Walter Tosto, was selected by the European Fusion Agency (Fusion for Energy - F4E) to produce the European contribution to the vacuum chamber of the **ITER reactor**. This task represented a fundamental part of the project, given its significance in the context of **nuclear fusion**.

In 2013, Walter Tosto S.p.A. took another significant step in the field of Big Science by securing a contract for the development of a prototype for the ITER project.

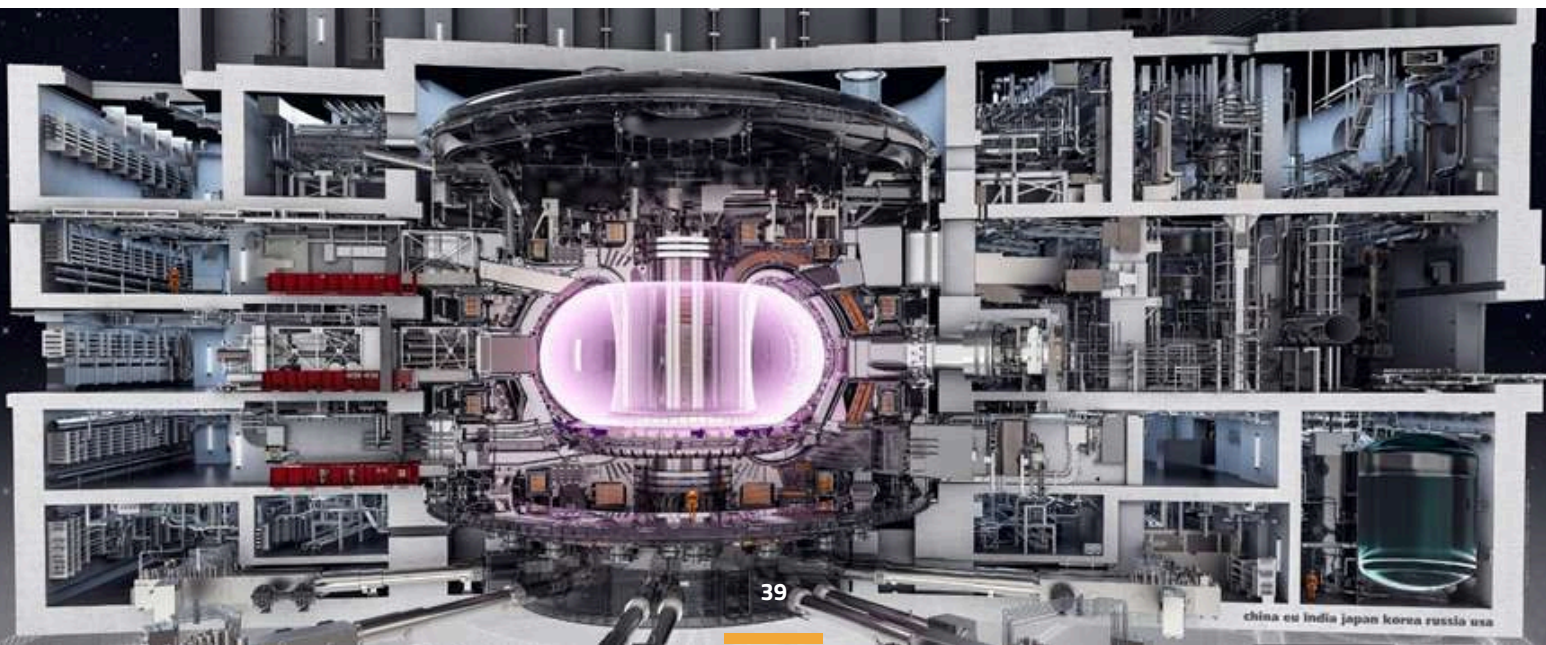
This work, utilizing an innovative 3D technological model, was carried out in collaboration with Belleli Energy CPE in Mantova and resulted in exceptional outcomes that made the prototype one of the components in the series intended for the Tokamak machine.

Thanks to this success, Walter Tosto secured two additional contracts for the production of the entire batch of cassettes for the ITER project, one in 2018 and one in 2021, consolidating its position as a leader

in the production of high-complexity components for Big Science.

The acquisition of these two significant contracts from Fusion for Energy (F4E) for the supply of 54 divertor cassettes for ITER has strengthened the company's position in the sector. In 2023, an additional important order was secured for the ITER project, namely the Neutral Beam Vessel, with delivery expected in 2029.

These developments not only reinforce leadership in supplying critical components for Big Science but also demonstrate the capability to tackle complex technological challenges and participate in large-scale international projects.





Other Nuclear Fusion Projects

The Tosto Group's commitment to nuclear fusion extends well beyond the ITER Project. In 2021, Walter Tosto secured a second significant contract for the supply of the vacuum vessel for **SPARC**, a project currently under development in the United States by Commonwealth Fusion Systems. Additionally, the qualification and pre-selection process to provide components for the **DTT** (Divertor Tokamak Test facility) has been successfully completed; this facility is currently being constructed at **ENEA** in Frascati and supports both the ITER and DEMO projects, which focus on the practical realization of nuclear fusion.

Thanks to these achievements, the Group ensures a constant and significant presence in nuclear fusion research projects, projecting its commitment through 2029-2030.

Notably, the supply of casings for the toroidal magnet coils of **JT-60SA**, an advanced research device in Japan, has recently celebrated a major scientific milestone.

In response to acquired projects and market prospects in the Nuclear & Big Science sectors, the Tosto Group has embarked on further significant investments.

These include acquiring **new production spaces, constructing new office buildings, purchasing new machinery, and implementing specific training courses.**

The goal is to significantly enhance our capacity and expertise to meet customer demands.



The Tosto Group has been selected as a case study by DG ENER of the European Commission, as a testament to its virtuous growth. In a relatively short period of time, it has managed to position itself among the most important global players in the nuclear sector. The "Tosto model" is based on a **strong connection with the local community, partnerships with schools and universities, and an entrepreneurial vision focused on technological innovation and skill development.**

DG ENER hopes that other companies in Europe can adopt and replicate this **model, which is considered sustainable and collaborative.** The goal is to create a stable and consistent ecosystem capable of effectively responding to the new nuclear installations expected by 2050, in line with the **Net Zero program.**



Hydrogen

Walter Tosto S.p.A. positions itself as a leader in the transition toward a **zero and low carbon emission** economy, actively investing in R&D to implement targeted projects aimed at combating **climate change**. This involves a responsible use of resources, integrating them in a circular economy approach with other energy sources and waste.

Such a business evolution enables the company to contribute to the Sustainable Development Goals (SDGs) defined by the UN Global Compact, which the Tosto Group adheres to. Looking ahead, the company aims to provide innovative and competitive components for the production of fuels derived from green hydrogen, such as green ammonia and green methanol.

Walter Tosto S.p.A. will be involved in all technical aspects necessary for scaling up emerging technologies for the production and storage of gaseous and liquid hydrogen. Furthermore, the company aspires to design and manufacture equipment for circular processes like gasification and pyrolysis, reinforcing its commitment to sustainability and innovation in the energy sector.

The company's commitment to developing cutting-edge sustainable solutions is exemplified by the S.I.H.L.V.A.N. project (Sulfur-Iodine Hydrogen Loop with Variable Amount and No-emission), developed in collaboration with Quality Engineering S.r.l., for which the companies secured a public grant of €6 million. The process they are working on involves producing hydrogen from water by combining the desulfurization of petroleum products with the Bunsen thermochemical cycle (the sulfur-iodine cycle).

The goal is to develop the technology through a pilot plant located within the Abruzzo Science and Technology Park in Chieti, enabling the validation of the process even in configurations utilizing high-temperature heat sources, typical of solar concentrators and nuclear fission plants.

Finally, Walter Tosto is expanding its product range in sectors such as **ammonia, nitrogen fertilizers, urea, methanol, e-fuels, and SAF (Sustainable Aviation Fuel)**, areas that represent a promising and increasingly relevant future for the company.





This evolution in business enables companies to contribute to the Sustainable Development Goals (SDGs) defined by the UN Global Compact, which the Tosto Group adheres to.

Looking ahead, the company aims to provide innovative and competitive components for the production of fuels derived from green hydrogen, such as green ammonia and green methanol, in the coming years.

WTS GAS: INNOVATION AND RELIABILITY IN THE LPG SECTOR

WTS GAS S.p.A. stands out in the LPG distribution, marketing, and storage market thanks to its strategic partnership with sister company Walter Tosto S.p.A., boasting over 60 years of experience in tank construction. The company offers a comprehensive range of products and services, including double-walled "Amico GPL" underground tanks, above-ground tanks compliant with European regulations, and the innovative REX tele-service system for continuous gas level monitoring.

WTS GAS is committed to safety and reliability, providing CE-certified products and tailored support services. The offering also includes advanced digital solutions, such as an online customer area for self-management of services and payments.

A distinctive strength is the ability to provide specialized consulting for conversions from methane to LPG or supplier changes, complete with feasibility studies and savings simulations. With its efficient supply chain, transparent pricing, and flexible offerings, WTS GAS positions itself as a competitive and reliable player in the LPG market, capable of meeting the needs of both residential and industrial clients with rapid delivery times and high-quality service.



STRATEGIC EVOLUTION OF SEASTOCK

Seastock, a company within the Tosto Group, has redefined its strategy in line with global energy transition trends. Moving away from initial plans for LNG supply, the company has proposed an ambitious investment plan of €20.1 million, aimed at diversifying the products stored and handled. This plan, which extends the concession until 2060, focuses on adapting to future reductions in the use of traditional fossil fuels while increasing biofuels.

Planned interventions include optimizing existing infrastructure, increasing storage capacity from 95,000 to 140,000 cubic meters, and enhancing annual handling capacity from 600,000 to over 900,000 tons.

Additionally, Seastock is exploring the integration of hydrogen into its terminal operations, highlighting its commitment to promoting sustainable and innovative energy solutions. These changes will not only improve operational efficiency and environmental safety but also create new job opportunities, demonstrating Seastock's dedication to sustainable growth aligned with decarbonization goals.



business model and operations

Value Chain
Supply Chain
Certifications
Qualification Process
Clients

Value chain

2-6

The group's value chain is structured around an integrated business model that encompasses various areas of specialization within the energy sector.

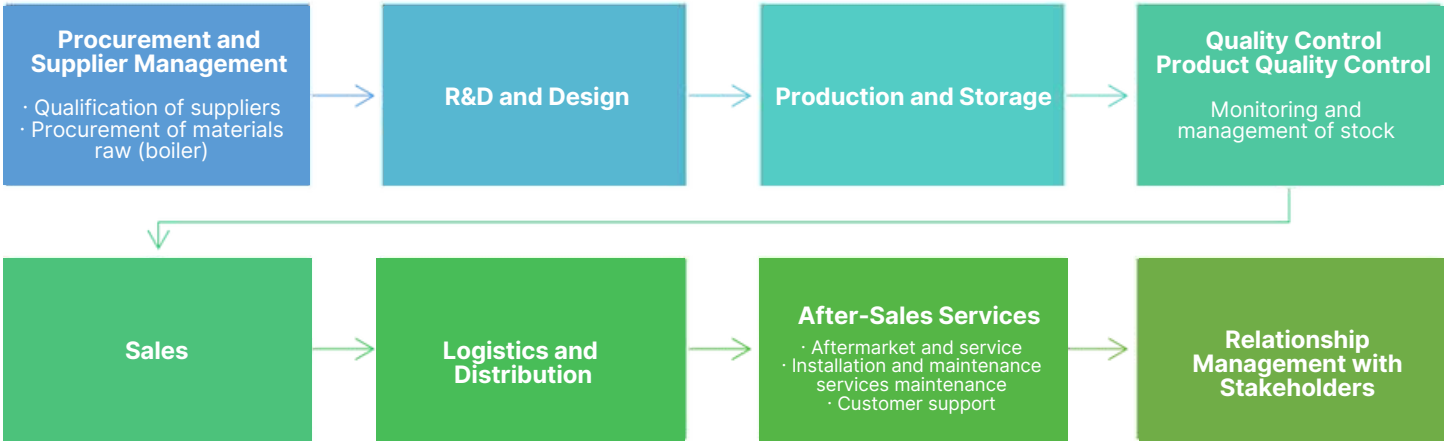
Walter Tosto and Walter Tosto WTB excel in the production of high-tech components for the energy industry. They combine strategic supplier management with advanced manufacturing processes, efficient logistics, and meticulous attention to quality and customer service. This synergy ensures the creation of safe, reliable, and high-quality products, significantly contributing to the transition towards a low-carbon economy.

WTS GAS focuses on the commercialization and distribution of LPG, primarily for combustion and industrial processes. Its business model relies on a widespread distribution network and efficient logistics management, ensuring reliable and secure supplies to end customers.

Seastock completes the picture by offering specialized services in the storage of petroleum products, providing a crucial link in the energy supply chain.

This diversification enables the group to engage across multiple segments of the energy value chain, from the production of critical components to the storage and distribution of finished products. The integration of these various competencies creates a resilient and innovative business ecosystem capable of responding to the challenges of the energy transition.

The group is committed to continuous process optimization, reducing environmental impact, and technological innovation, positioning itself as a key player in the journey towards a more sustainable energy future.





Supply chain

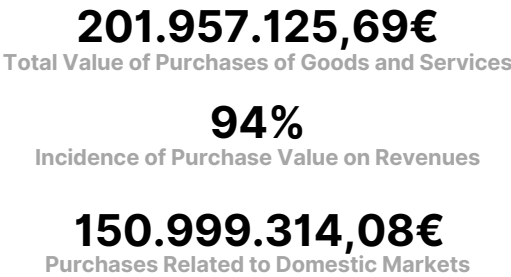
2-6 3-3 204-1

The Tosto Group's supply chain remains a fundamental pillar for the company's competitiveness and operational excellence. With over 3,000 suppliers, this complex and diversified network not only ensures compliance with stringent quality and safety standards but also promotes innovation through the sharing of knowledge, skills, and technologies.

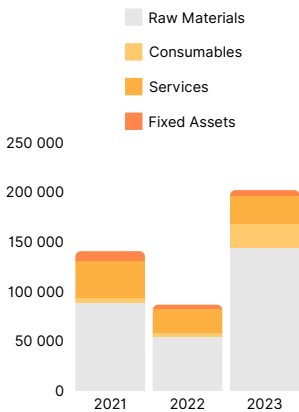
In 2023, the total value of goods and services purchased reached a significant €201,957,125.69, representing 94% of the Group's revenue. This figure underscores the strategic importance of the supply chain for the Group's operations and success. A notable aspect of the Group's procurement strategy is its strong connection to domestic markets, with purchases from these markets amounting to €150,999,314.08, or 74.8% of the total. This choice not only supports the local economy but also allows for more direct control over the quality and sustainability of supplies.

Analyzing the composition of purchases by type reveals a significant increase across all categories compared to previous years. These figures highlight not only the robustness of the Tosto Group's supply chain but also its ability to quickly adapt to market needs and support sustainable growth.

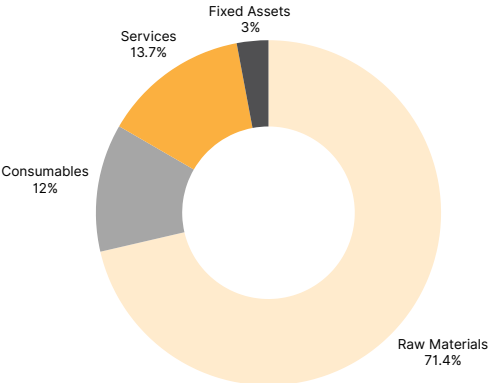
In the primary commodity category, steel remains the predominant material, constituting an essential component in various forms such as sheets, forgings, pipes, and profiles.



Purchases by Type 2021-2023 (k€)



Purchases by Type 2023 (%)



In the primary commodity category, steel remains the predominant material, representing an essential component in various forms such as sheets, forgings, tubes, and profiles.

The Tosto Group demonstrates a significant commitment to the responsible management of its supply chain, with particular attention to the ethical and humanitarian implications of its purchases. A crucial aspect of this commitment is the focus on so-called "Conflict Minerals"—gold, tantalum, tin, and tungsten. These materials are known for their potential role in financing conflicts in certain parts of the world, particularly in war zones or high-risk areas. To address this issue, the companies within the Group have implemented strict protocols for monitoring the sources of these materials. This approach goes beyond mere compliance with regulations, reflecting a proactive commitment to ethical and sustainable sourcing practices. The objective is twofold: to ensure transparency in the supply chain and to actively contribute to global efforts to end conflicts fueled by the trade of these minerals.

A detailed analysis of purchases reveals that the use of potentially critical materials is extremely limited. In particular, there is only sporadic purchasing of tools, such as cutting bits containing tungsten, used in specific machining processes. This limited presence of "Conflict Minerals" in the Group's supply chain results from a conscious strategy and careful selection of suppliers.

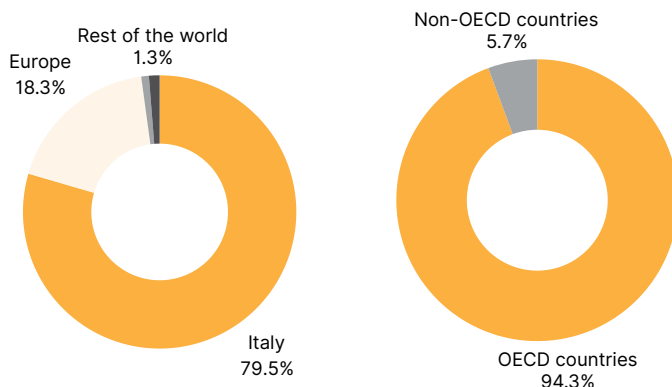
The geographical distribution of the Tosto Group's purchases in 2023 reveals a procurement strategy that strongly favors the domestic market while maintaining a global presence in its supply chain. This strategy reflects a deep commitment to local economies and a "local for local" supply logic.

The Italian market represents the predominant portion of purchases for most of the companies in the Group. This data underscores the significant interconnection between the companies and the economic fabric in which they operate. The "local for local" approach not only supports the domestic industry but also facilitates quality control, reduces logistical risks, and contributes to local economic development.

It is important to note that, while most of the Group's companies follow this strong domestic sourcing trend, Walter Tosto WTB has adopted a different model: it has turned to the Romanian domestic market for 17% of its total sourcing. Finally, there is a clear preference for suppliers located in OECD countries, which generally offer greater assurances regarding labor, environmental, and governance standards.

- Lombardy: €81,629,611.01 (60.15%)
- Abruzzo: €29,861,541.25 (22.00%)
- Lazio: €7,594,341.25 (5.60%)
- Friuli Venezia Giulia: €3,189,836.02 (2.35%)
- Rest of Italy: 9.9%

Purchases by geographical area 2023 (%)



PROMOTION OF SUSTAINABILITY
IN THE SUPPLY CHAIN

In addition to technical and economic audits, Walter Tosto and Belleli Energy CPE launched a significant initiative in 2021 to promote sustainability within their supply chain. The companies encouraged their suppliers to complete the Synesgy questionnaire, available on the global digital platform of the CRIF group, to track their progress in relation to ESG (Environmental, Social, and Governance) Criteria.

- The main goal of this initiative is twofold:
- To motivate small and medium-sized enterprises in the supply chain to incorporate sustainability principles into their operations.
 - To raise awareness of systemic and socio-economic risks, promoting active commitment to the decarbonization of operations.

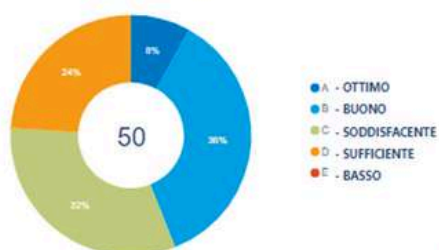
As of December 31, 2023, the initiative has achieved the following results:

- Total number of suppliers invited to complete the questionnaire: 1,629
- Number of suppliers who started the process: 96
- Number of suppliers who completed the entire process: 114



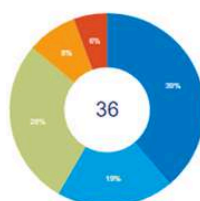
walter tosto

OVERALL SCORE

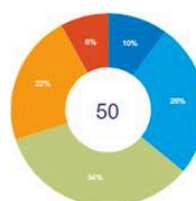


STATO	TOTALE
A - OTTIMO	4
B - BUONO	18
C - SODDISFACENTE	16
D - SUFFICIENTE	12
E - BASSO	0

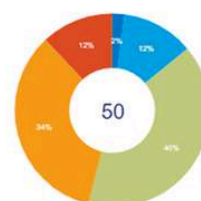
BUSINESS SCORE



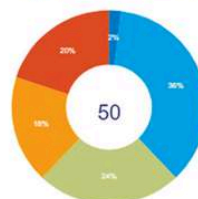
ENVIRONMENTAL SCORE



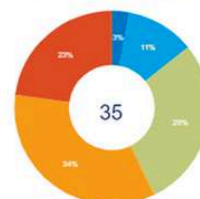
SOCIAL SCORE



GOVERNANCE SCORE

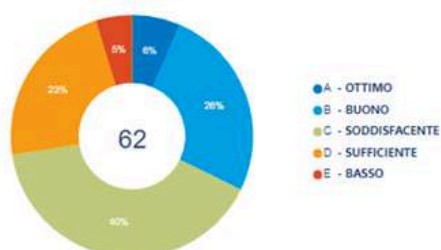


SCORE SETTORIALE



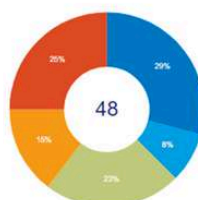
BELLELI
ENERGY Critical Process Equipment

OVERALL SCORE

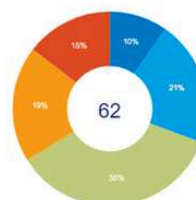


STATO	TOTALE
A - OTTIMO	4
B - BUONO	16
C - SODDISFACENTE	25
D - SUFFICIENTE	14
E - BASSO	3

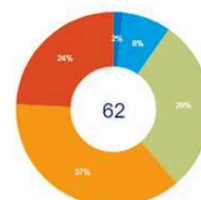
BUSINESS SCORE



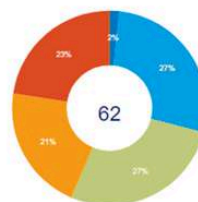
ENVIRONMENTAL SCORE



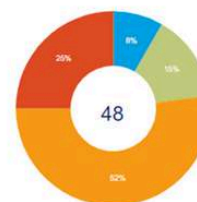
SOCIAL SCORE



GOVERNANCE SCORE



SCORE SETTORIALE



Certifications

2-25

2-26

3-3

416-1

The Tosto Group stands out in the heavy fabrication sector not only for its dedication to customer satisfaction but also for its commitment to producing pressure vessels that fully meet their intended purposes. This goal translates into strict adherence to applicable technical requirements throughout every phase of the production process, ensuring that each vessel is not only effective but also safe for its intended use.

The compliance of finished products is verified through a thorough certification process conducted by reputable external organizations at both national and international levels. These certifications are not mere formal recognitions; they represent a fundamental guarantee of safety, standardization, and reliability for customers and the market. Maintaining such certifications demonstrates that the quality management system of Walter Tosto is robust and dependable, capable of ensuring that every product meets the stringent standards required by relevant technical regulations.

A cornerstone of this quality strategy is the **ISO 9001** certification, a globally recognized standard that attests to the effectiveness of an organization's quality management system. Since 1995, Walter Tosto S.p.A. has implemented a quality management system that not only meets but often exceeds the standards required by this certification, emphasizing its long-term commitment to operational excellence and product quality.

The Group's approach to quality and compliance is therefore a key element of its identity and success, allowing all its companies to stand out as trusted partners not only for the technical superiority of their products but also for their responsibility in ensuring the highest safety and reliability in every aspect of production.

Management and Quality Certifications

- **ISO 9001:2015** and **ISO 3834-2:2006**: These certifications attest to the adoption of quality management systems and specific quality requirements for the welding of metallic materials. A rigorous approach to quality is applied across all operations, ensuring that every phase of production complies with the highest international standards.
- **ISO 14001:2015**: This certification confirms the Group's commitment to environmental management, ensuring that all operations are conducted sustainably, minimizing environmental impact, and continuously improving ecological performance.
- **ISO 45001:2018**: This standard pertains to the management of occupational health and safety, confirming that the Group adopts safe work practices, thereby protecting its employees and minimizing occupational risks.

Technical and Safety Certifications

- **ASME Certificates (U, U2, U3, N, S)**: The Group is authorized to design and manufacture a variety of pressure equipment, including components for the nuclear sector and boilers for energy production, in accordance with the stringent standards of the ASME code. These certifications demonstrate the Group's technical capability to meet the complex and rigorous demands of a global market.
- **SELO**: With this certification, the Group is authorized to manufacture pressure equipment and boilers that comply with the safety standards required by the Chinese market, an essential element for expansion and competitiveness in the Asian market.
- **PED Module H1**: This certification attests to the Group's ability to comply with European directives on pressure equipment, ensuring that products are safe and reliable for the European market.

Recognitions from Regulatory Bodies

- **National Board Certifications (R and NB)**: These authorizations allow the Group to perform repairs and modifications on pressure components and to register these items according to National Board standards, ensuring maximum safety and compliance.

Qualification process

2-6

In the industrial sector, particularly in high-impact industries such as Oil & Gas, Chemical, Petrochemical, and Nuclear, the Supplier Qualification Process is a crucial step for suppliers seeking approval on the approved suppliers list of major groups (End User/Main Contractor/Licensor). This process not only ensures compliance with current regulations but also verifies that each supplier possesses the technical expertise, financial stability, and ethical work practices necessary to operate in such a rigorous and monitored environment.

Objectives of the Qualification Process

- **Verification and Evaluation:** The process begins with a thorough assessment of the supplier's technical, organizational, and managerial capabilities. Special attention is given to compliance with HSEQ (Health, Safety, Environment, and Quality) requirements, ethical reliability and reputation, as well as economic and financial stability. These factors are essential to ensure that suppliers can meet and exceed the standards set by key industry players and international regulations.
- **Selection of Qualified Suppliers:** The ultimate goal of the process is to select the most qualified suppliers who can guarantee not only product quality and safety but also sustainable and responsible management of resources and operations.

Evaluation Methodology

The qualification process consists of several phases, including:

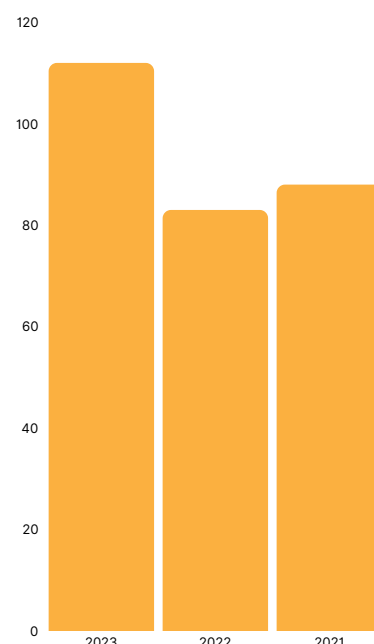
- **Document Analysis:** Suppliers must submit a range of documentation, such as detailed questionnaires and in-depth documents, which provide a comprehensive overview of their operations, policies, and capabilities.
- **On-Site Evaluation:** If necessary, an on-site verification is conducted to directly observe the supplier's practical competencies, production capabilities, and infrastructure. This evaluation is often carried out by a multidisciplinary team of experts to ensure a complete and impartial review.

Communication of Results

At the end of the qualification process, the supplier receives an official communication from the End User/Main Contractor/Licensor. This may take the form of a Qualification Certificate, which officially confirms the supplier's eligibility, or a letter/email that conveys the outcome of the process.

- **Improvement Plan** In some cases, a supplier may be required to develop an improvement plan that includes specific guidelines for areas where concrete improvements are necessary. This plan is essential to ensure that the supplier not only maintains the required quality levels but also commits to a continuous evolution and adaptation to new challenges and industry requirements.

2021-2023 Qualifications (n.)



Clients

2-6

The Tosto Group has always been committed to building and deepening long-lasting relationships with its valued customers. Their dedication to customer loyalty is the heartbeat of all business performance. The group believes that a loyal customer holds invaluable worth, surpassing any marketing campaign or promotional strategy, especially in an industry where excellent performance resonates globally.

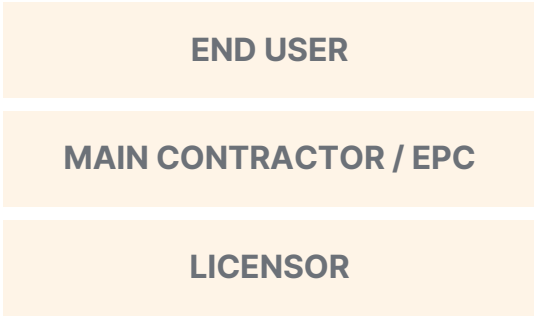
The group's clients primarily operate in the Oil & Gas, Refining, Chemical and Petrochemical, Fertilizer, and Energy sectors. They can be categorized into three main groups:

- **End Users:** These are the companies that directly utilize the products and equipment provided by the Tosto Group in their operations. This category includes:
 - Exploration and Production (E&P) Companies
 - Midstream Operators
 - Refining Companies
 - Petrochemical Producers
 - Energy Generation and Services Companies
- **Main Contractors or EPC (Engineering, Procurement, and Construction):** These firms manage large-scale projects, offering comprehensive solutions from initial design to commissioning. Their characteristics include:
 - Complete project management
 - Engineering expertise
 - Procurement services
 - Construction management
 - Integrated solutions and turnkey projects
- **Licensors:** These companies own intellectual property, such as technologies, patents, or proprietary processes, which they license to other industry players. Licensors play a crucial role in disseminating cutting-edge technologies and innovative processes.

Walter Tosto, along with its affiliate Walter Tosto WTB and Belleli Energy CPE, has earned the trust and respect of a wide range of international clients over the years, establishing significant strategic and lasting collaborative relationships. This success is attributed to their focus on critical details for clients: timely deliveries, high-quality products that meet contractual technical requirements, and a proactive attitude toward solving design challenges.

Another fundamental pillar of the Group's strategy is research and development. The companies are actively engaged in co-design and value engineering activities with key clients, supporting them in technical development initiatives and further strengthening customer loyalty.

Customer Categories



The clients of the Tosto Group are characterized by high technical expertise, rigorous safety and compliance requirements, and a need for customized engineering solutions. They often seek long-term partnerships with suppliers capable of providing not only initial design and manufacturing but also ongoing maintenance, inspection, and support services. Operating on a global scale, these clients require suppliers who can deliver products and services internationally while adhering to local standards and regulations across various regions.

A focus on innovation and efficiency is another distinguishing feature of these clients, who seek advanced materials and production techniques that can enhance efficiency, reduce downtime, and increase safety. Their expectations in terms of quality and performance are exceptionally high, ensuring

that they partner with companies that can consistently meet or exceed these standards, requiring in-depth quality control processes, testing, and certification. Furthermore, there is a growing emphasis on sustainability and environmental impact. Clients are seeking producers capable of providing eco-friendly materials and processes, as well as equipment designed to minimize emissions and energy consumption.

In the broader context of the Group, WTS GAS has intensified its focus on business and industrial clients in 2023. The industrial DNA of the parent company, combined with the presence of highly skilled and technically proficient operators, has enabled WTS GAS to attract clients who value the professionalism and technical excellence of the offering, thereby enriching and diversifying the overall client portfolio of the Tosto Group.



GLOBAL PRESENCE AND MARKET DIVERSIFICATION

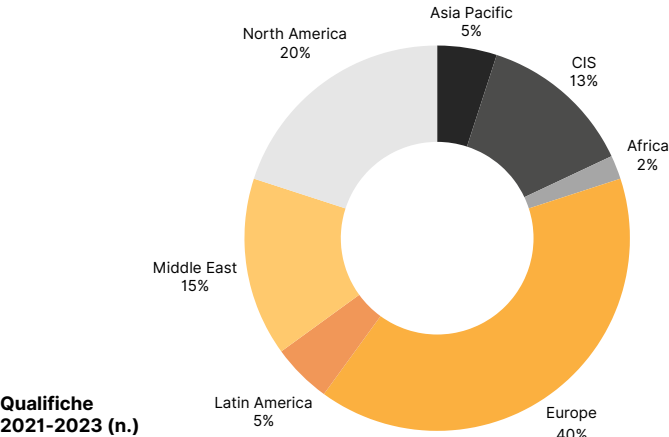
Recognized and respected worldwide, Walter Tosto, its affiliate Walter Tosto WTB, and Belleli Energy CPE are featured on the vendor lists of major clients across the globe. Despite increased competition from low-cost producers, these companies have maintained their leadership position by focusing on quality, reliability, financial stability, and timely delivery.

With an export share exceeding 95% of production, the companies demonstrate a strong international orientation, being well-known and esteemed globally. Their products and services, aimed at the Oil & Gas, petrochemical, and power sectors, reach every corner of the world where there is a need to build new plants or replace existing components.

Analysis of target markets, based on the average percentage over the last three years, reveals a significant and diversified presence.

This geographic distribution highlights the companies' ability to operate on a global scale, with a strong foothold in traditional markets such as Europe

and North America, and a growing penetration into emerging markets like Asia and the Middle East. Notably, the presence in Uzbekistan (18.4%) stands out as a strategic growth market.



CUSTOMER LOYALTY

2-25

2-26

2-29

The Tosto Group demonstrates a consistent commitment to excellence in products and related services, with customer satisfaction at the core of its business strategy. This is highlighted by various key performance indicators.

In the heavy fabrication sector, a particularly significant measure of success is reflected in the numerous Appreciation Letters received from clients. These spontaneous communications provide direct qualitative feedback, affirming the high quality of the products and services offered. The absence of formal complaints throughout the year further attests to the company's ability to meet and exceed customer expectations.

The company organizes dedicated meetings with clients to evaluate business performance. These sessions, followed by in-depth internal analyses, enable the definition of targeted strategies for continuous improvement and anticipating future market needs.

WTS GAS, which is steadily growing, acquires numerous new clients each year. These clients are subsequently contacted through customer satisfaction calls. The company is committed to building a trusting relationship with its clients, attentively listening to feedback and working to enhance the overall customer experience.

A noteworthy initiative is the virtual loyalty card "Club WTS Gas," designed for private customers. This program allows clients to accumulate points based on their consumption, loyalty to the company, and engagement in positive activities, such as larger LPG refills and submitting meter readings through the customer area on the website. Points can be redeemed for complimentary liters of LPG or rewards, such as free stays through the partner ipervacanze.it. Clients can earn extra points by completing a questionnaire about various aspects of the company, with most users providing highly positive feedback.

The consistent positive feedback and customer loyalty reaffirm the Tosto Group's leadership position in the sector. The companies within the group will continue to closely monitor customer satisfaction, adapting and constantly improving processes to maintain the high standards that set them apart.

governance

Governance Structure
Stakeholder
Risks and Opportunities
Future goals and commitment

Governance structure

2-9	2-10	2-11	2-12	2-13	2-15	2-16	2-17	2-18	3-3	405-1
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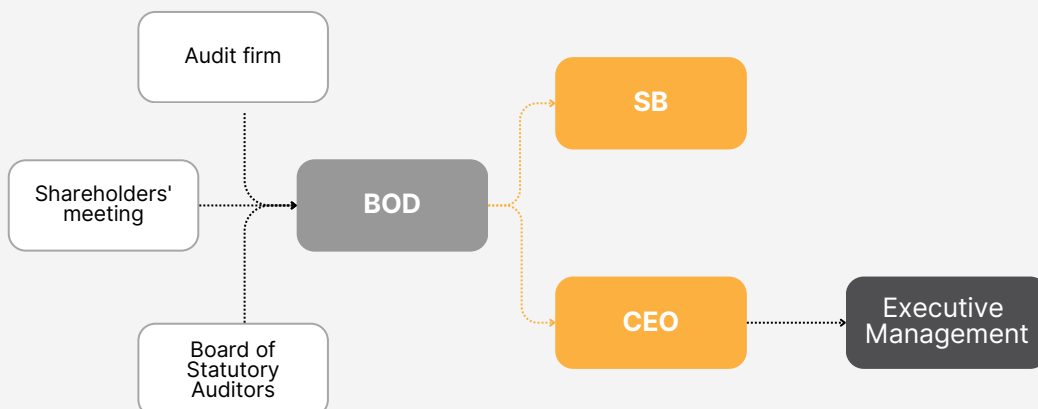
The governance system of the Companies is fundamental for ensuring effective, ethical, and responsible management of business activities. It is structured in accordance with current regulations and the rules applicable to the sector in which the Companies operate. Furthermore, it is based on the principles contained in their respective Codes of Ethics, which represent the values and ethical standards guiding behavior and decisions within the companies.

The corporate governance structures are founded on adherence to internationally recognized standards, including:

- The Universal Declaration of Human Rights of the United Nations
- The fundamental Conventions of the ILO (International Labour Organization)
- The ten global ethical principles of the United Nations Global Compact

These standards promote respect for human rights, environmental protection, workers' rights, and the fight against corruption. Through adherence to these principles, the Companies demonstrate their concrete commitment to contributing to the United Nations' sustainable development goals and acting responsibly and ethically towards their stakeholders and the environment in which they operate.

The governance structure of each Company is designed to effectively implement these principles, ensuring transparency, accountability, and integrity in all business operations.



On July 13, 2020, the Shareholders' Meeting appointed the Board of Directors, composed of:

- Mr. Walter Tosto, Chairman of the Board of Directors
- Mr. Luca Tosto, Director
- Dr. Emanuela Tosto, Director

The term, originally set for three years, expiring upon the approval of the financial statements as of December 31, 2022, has been renewed for an additional three-year period. Subsequently, on August 8, 2020, the Board of Directors granted the powers of Chief Executive Officer to Mr. Walter Tosto and Mr. Luca Tosto. This appointment has also been renewed for another three-year term, in line with the renewal of the Board of Directors.

To ensure transparency and integrity, Walter Tosto S.p.A. has implemented two significant practices:

- The Board of Directors meets at least quarterly.
- Members of the Board of Directors complete an annual questionnaire on conflicts of interest.

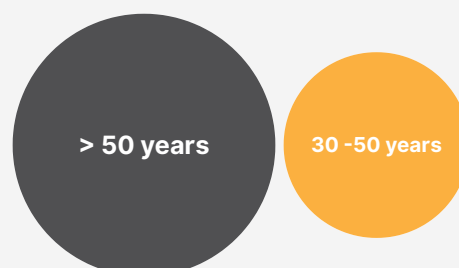
These measures promote transparent and responsible business management, preventing potential conflicts of interest that could compromise the effectiveness of decision-making and the operational fairness of the company.

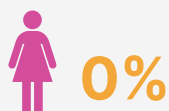
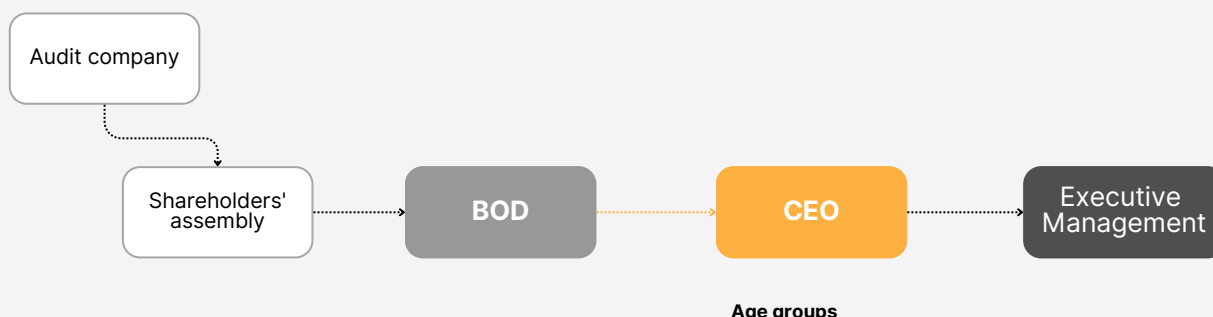


4
Meeting

100%
Participation rate

Age groups





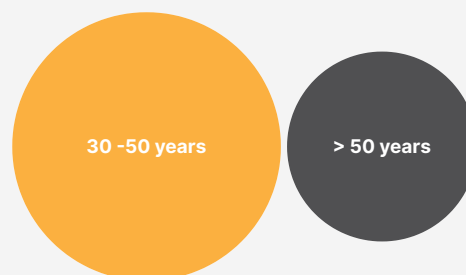
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100%

6
Meeting

89%
Partecipazione rate



The current composition of the company's Board of Directors was defined on October 15, 2021, when the Shareholders' Meeting appointed the following Directors:

- Mr. Fabio Scipione - Chairman of the Board of Directors
- Mr. Luca Tosto - Director
- Dr. Luca Pierfelice - Director and Chief Financial Officer of the Tosto Group

It is important to note that Dr. Luca Pierfelice, as CFO, represents the interests of a broader group of stakeholders within the Board, bringing a financial and strategic perspective to the board's deliberations. Initially, the term of the Directors was set for one year, expiring on December 31, 2022.

However, on October 20, 2022, a decision was made to renew the governing body for an additional year. Consequently, the current term of the Board of Directors has been extended until December 31, 2023.

During the meeting on October 15, 2021, the Board of Directors resolved specific delegations and powers

to individual directors, as follows:

Mr. Fabio Scipione - Chairman of the Board of Directors:

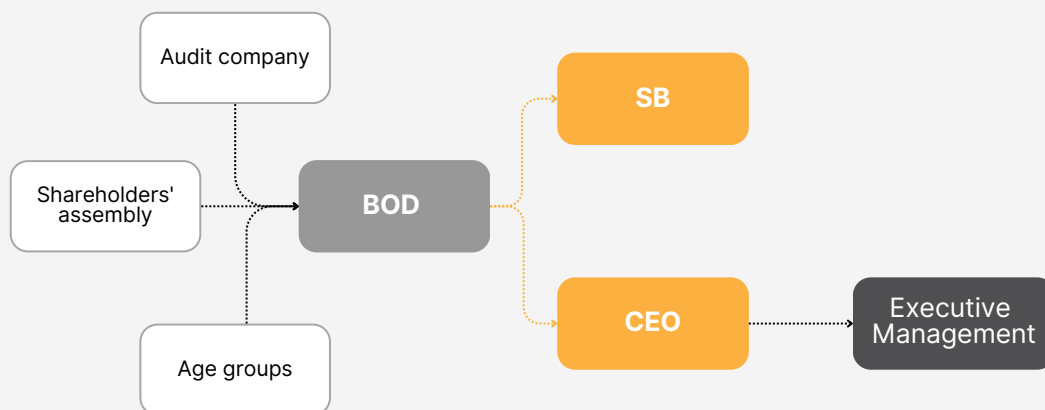
- Powers of ordinary administration of the company
- Full responsibilities regarding:
 - Health and safety at work
 - Accident prevention
 - Management of social security aspects and mandatory contributions
 - Environmental compliance

Mr. Luca Tosto - Director:

- Full powers with the right to sign independently for:
 - Negotiating, concluding, and signing sales contracts with the company's customers

Dr. Luca Pierfelice - Director:

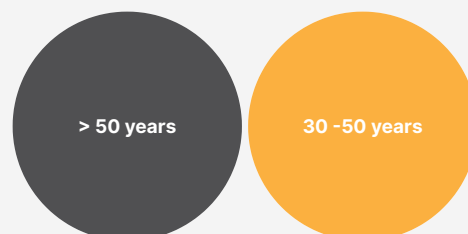
- Full powers with the right to sign independently for:
 - Managing operations with banking institutions
 - Managing operations with insurance companies



6
Meeting

89%
Participation rate

Age groups



On July 29, 2022, the Shareholders' Meeting renewed the Administrative Body, confirming the following members:

- Mr. Luca Tosto - Chairman of the Board of Directors
- Ing. Paolo Fedeli - Managing Director
- Dr. Luca Pierfelice - Director
- Ing. Giacomo Fossataro - Director

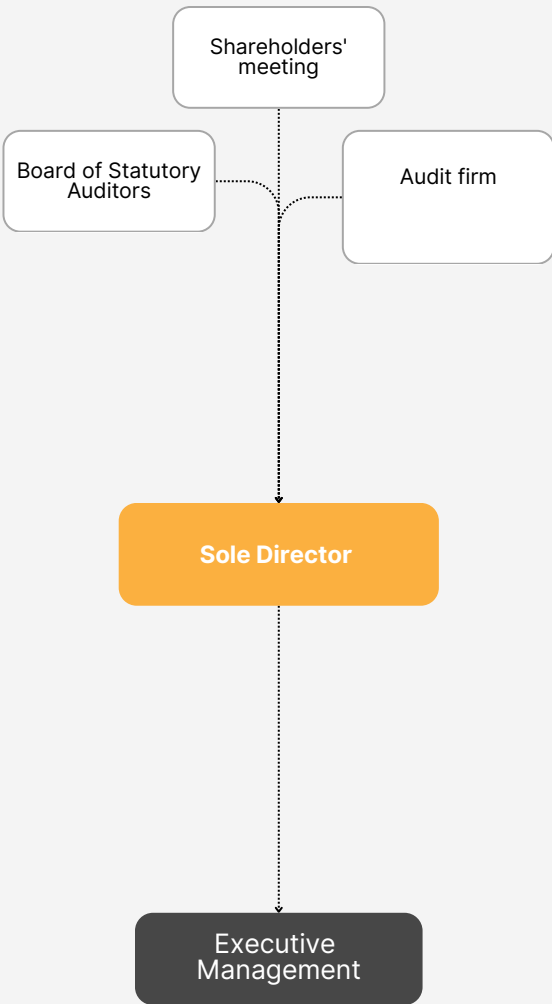
The term of the Directors has been extended until the approval of the financial statements for 2024, demonstrating a long-term commitment to the leadership and governance of the company.

The legal representation of Belleli Energy CPE S.r.l. is entrusted to:

- Mr. Luca Tosto (Chairman of the Board)
- Ing. Paolo Fedeli (Managing Director)

The Board of Directors is tasked with:

- Guiding and managing the overall direction of the company
- Coordinating strategic activities
- Approving investments in tangible and intangible assets
- Defining commercial policies
- Finalizing the company's participation projects.



WTS GAS, as a joint-stock company operating under ordinary management, can be governed—according to its Articles of Association—by a sole director, to whom the management of the company is entrusted.

The choice between a collegial body or a sole director is up to the Shareholders' Meeting. As of December 31, 2023, the Sole Director of WTS GAS continues to be Mr. Walter Tosto.

Chronology of appointments:

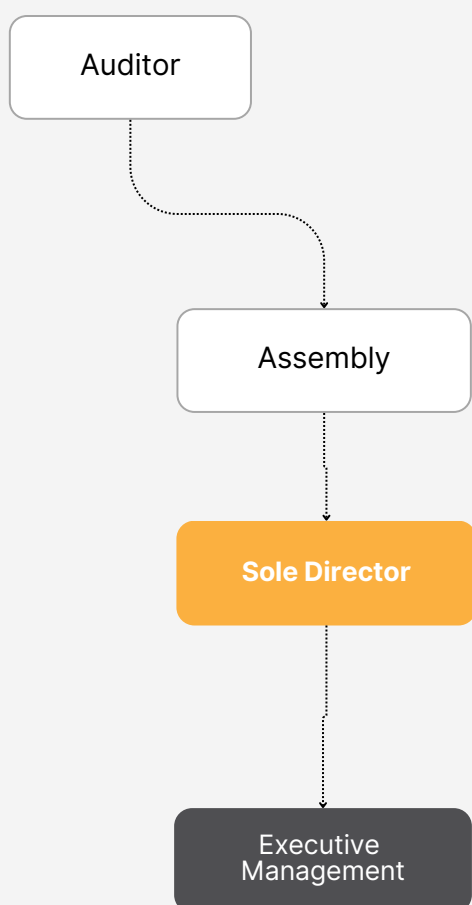
- February 9, 2011: Initial appointment of Walter Tosto as Sole Director
- July 29, 2022: Renewal of the appointment, with a term until the approval of the financial statements for the year ending December 31, 2024

Powers of the Sole Director:

- Mr. Walter Tosto is vested with all powers necessary for the ordinary and extraordinary management of the Company, except for those reserved by law or by the Articles of Association for the Shareholders' Meeting.

Procurators:

- Mr. Luca Tosto:
 - Appointed Procurator on March 28, 2011
 - Formal registration dated April 20, 2011
- Ms. Catia Tosto:
 - Appointed Procurator on October 24, 2016
 - Position reconfirmed on October 24, 2016
 - Official registration dated February 6, 2017
 - The powers conferred allow her to act promptly and effectively in various operational areas of the company, representing the interests of WTS GAS in accordance with company directives and relevant regulations.



Seastock S.r.l., a coastal depot for the storage and handling of petroleum products located in Trieste, was established on May 12, 2014, but began operations in December 2020 following the acquisition of the bankrupt Depositi Costieri Trieste Spa. It is subject to the direction and coordination of Tosto S.r.l., which holds 51% of the share capital. The remaining 49% is held by another company in the Group, Walter Tosto S.p.A.

The company is represented by the Sole Administrator, Mr. Walter Tosto, who was appointed on May 12, 2014, with a mandate that remains in effect until revoked. He has the powers for the administration of the company, except for decisions on matters reserved for the shareholders under Article 2479 of the Civil Code and decisions on matters reserved for the shareholders by the Statute.

On December 22, 2020, special procurators were appointed with equal powers of representation: Messrs. Luca Tosto and Catia Tosto.

The accounting oversight is entrusted to Dr. Sandro Marcucci, appointed as Legal Auditor on February 24, 2023, with a mandate lasting until the approval of the financial statements for December 31, 2024.

SUSTAINABILITY GOVERNANCE
STRUCTURE

2-13

2-14

The adoption of a unified Sustainability Governance by all companies in the Group since 2021 represents a significant step towards integrating sustainable practices into business strategies. The appointment of Dr. Marzia Mazzoni as Sustainability Manager marked the beginning of this journey, aimed at increasing awareness of sustainability-related risks and triggering a positive effect throughout the organization.

The Board of Directors and Top Management have recognized the importance of steering strategies towards the creation of long-term value, thereby reinforcing the Group's commitment to sustainability. This top-down approach is essential for fostering a culture of sustainability across the company.

At the same time, stakeholders are playing an increasingly decisive role in this context. Their ability to influence business initiatives and promote a culture of sustainability has become crucial for the success of corporate policies in this area.



Stakeholder

The new GRI Standards have redefined the concept of Stakeholder, describing them as "entities or individuals who have an interest that is or may be influenced—positively or negatively—by the activities of the organization." This definition broadens the perspective on who can be considered a relevant stakeholder for a company.

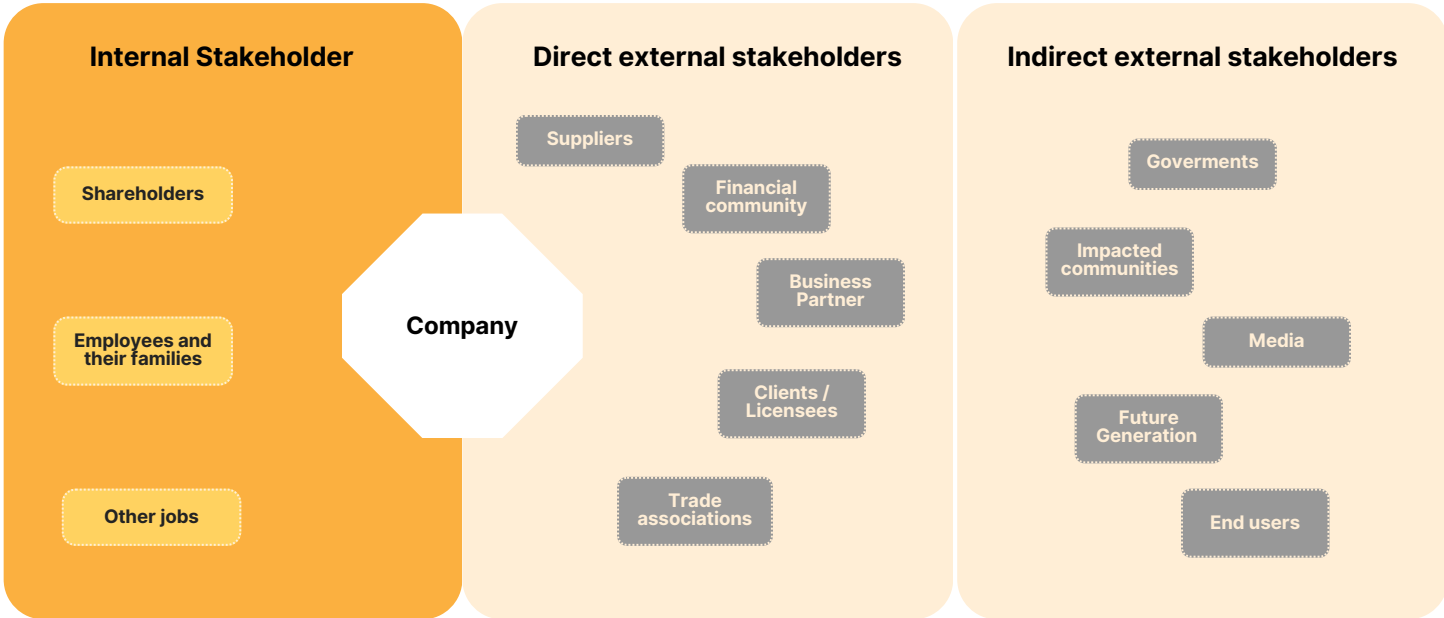
The revision of the Standards has also brought about a significant change in the stakeholder engagement process. The new approach requires that stakeholders are actively involved throughout the entire process of impact analysis and management, no longer limited to just the materiality assessment phase.

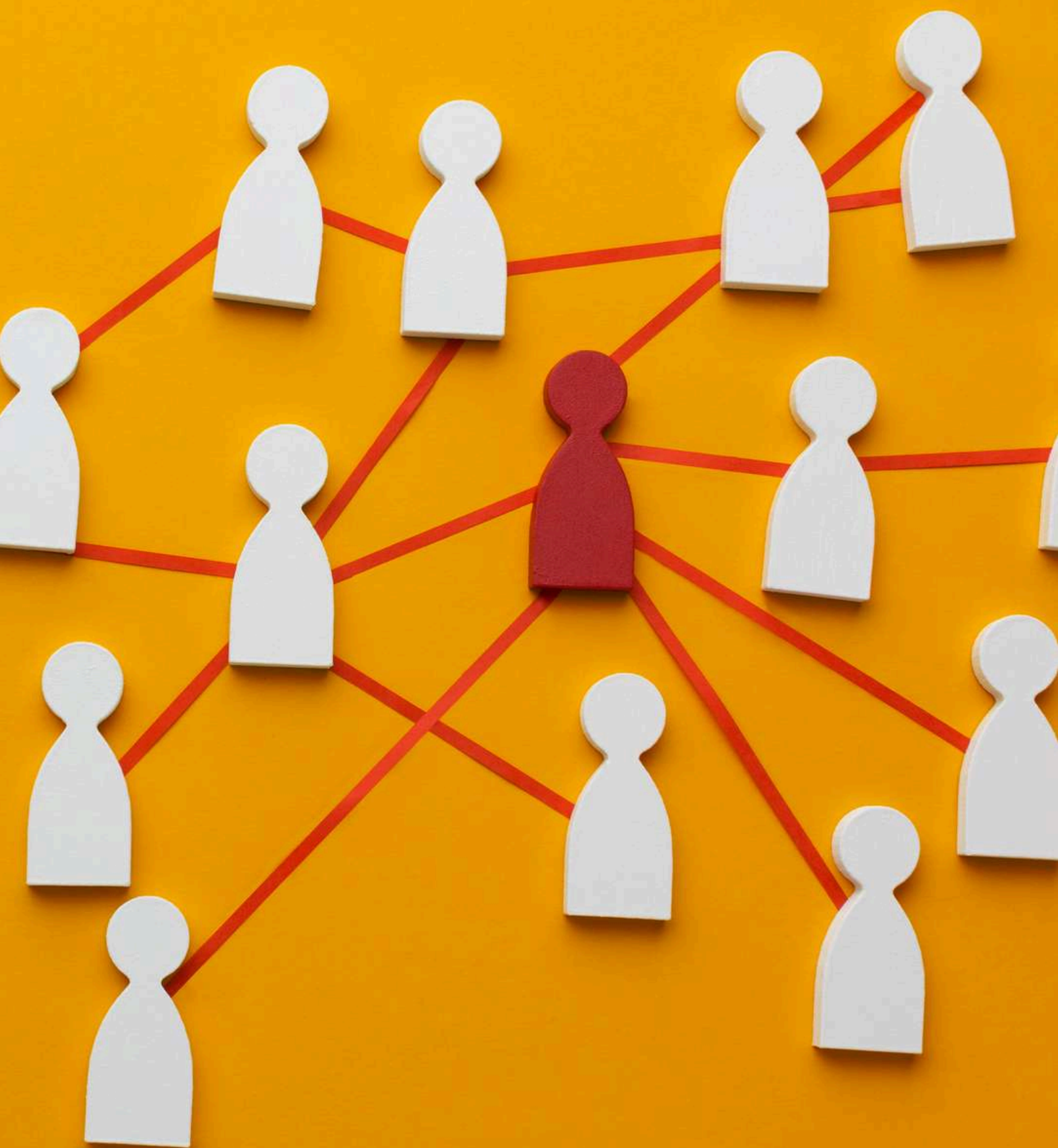
This marks a shift from occasional or supplementary engagement to a deeper and continuous involvement.

Furthermore, engagement has been focused on the categories of stakeholders most directly involved in the relevant effects of the organization's activities or business relationships. In practice, attention has shifted to the groups most closely linked to the organization's impact on society and the environment.

This new definition and the renewed approach emphasize the importance of closer and more targeted collaboration with stakeholders, recognizing their key role in determining and responsibly managing business impacts.

The goal is to create a more meaningful and productive dialogue between the organization and its stakeholders, fostering a more effective and sustainable management of business activities.





STAKEHOLDER ENGAGEMENT

2-29

The GRI reporting principles require a materiality analysis based on a stakeholder engagement process, which is a strategic and necessary tool for identifying and understanding the needs and concerns of stakeholders regarding sustainability.

For all companies in the Tosto Group, stakeholder engagement is not uniform; it takes various forms depending on the goal and nature of the relationship. These include collaborations in Research and Development (R&D), face-to-face meetings, participation in international events, and territorial development initiatives.

These engagement methods aim to enhance the relationships of the five companies with the social, economic, and industrial context, creating a constructive and transparent dialogue. They not only strengthen trust and mutual understanding but can also open new business opportunities for the entire group.

The stakeholder engagement process according to GRI principles is not a unilateral action but a continuous and adaptable conversation. With each stakeholder, companies establish a distinct dialogue, tailored to the purpose of engagement, creating a network of relationships that goes beyond mere compliance, fostering a deeper understanding and active commitment to sustainability.

The details of both external and internal stakeholder engagement activities, presented in tables, highlight a complex and articulated strategy that the group is following to build solid and transparent relationships with its stakeholders.

The holistic approach of the Tosto Group towards stakeholder engagement not only strengthens relationships with various interlocutors but also aligns with the Sustainable Development Goals (SDGs).

Internal Stakeholder Engagement Activities

Category	Stakeholder	Engagement Methods	Key Issues / Concerns Raised	Answers
Governance	Shareholders	Corporate documents, Shareholder meetings, Sustainability Steering Committee; Events	Economic and financial performance; Compliance.	ROI
Employees	Employees and their families	Direct communication; Department meetings; Management interviews; Bulletin board communications; Results sharing meetings; Website; Social Media.	Safety; Welfare; Stability; Training.	Employee well-being; Job growth; Nursery.
Employees	Other employees	Direct communication and through staffing agencies; Website; Social media.	Safety	

External Stakeholder Engagement Activities

Category	Stakeholder	Methods of engagement	Key issues / concerns raised	Responses
Customers	Customers	Business meetings; Trade fairs; Customer satisfaction surveys; Qualification processes; Website; Social media	Compliance and quality of products; privacy; on-time delivery; environmental policy; ethics; health and safety; sustainable procurement; innovation.	On-time delivery; compliance and quality of products; monitoring and control during implementation phases; brand reputation; investments in innovation; certifications and qualifications
	Financial community	Financial reports; Meetings; Website	Economic and financial performance	Financial and qualitative information; financial stability; rating.
Community	Suppliers	Meetings; Website; Contractual documents; Participation in the completion of the Synergy Assessment.	Relationship management; price reduction; stability; innovation	On-time payments; negotiations; long-term collaborations; ESG assessment.
	Governments	Official relations; Monitoring and analysis of the legislative landscape	Sustainable development; funds for R&D; compliance	Development of initiatives for local and national development; transparent collaboration
	School	Training courses	Shared educational offering and job creation	Training initiatives, support for technical and vocational institutions, and hiring
	Business partner	Meetings; Partnerships; Thematic workshops; Website	Continuity and quality of relationships	Involvement of local SMEs in R&D projects
	Local community	Social responsibility initiatives; Daily review of local press	Sponsorships; generation of sports impacts	Support for local initiatives
	Media	Press releases; Website; Social media; Daily news roundup.	Transparency and timeliness; brand reputation	Constantly updated network on corporate initiatives
	Academic world/research institutions	Meetings, R&D projects; Website; Social media; Partnerships and PhDs	Support for Research; talent acquisition; shared training projects.	Funding for PhDs; ongoing projects
	Future generations	/	Sustainable development actions; promotion of a sustainability culture	Perseguimento degli SDGs; adesione all'UNGC
	Certification Bodies	Maintenance / renewal visits	Corporate reputation; compliance with regulations	Pursuit of the SDGs; adherence to the UNGC
	Certification Bodies	Assemblies; Periodic meetings; Thematic workshops; Charity events.	Sustainability policies; innovation	Sharing of best practices; training; assistance

COMMUNICATION WITH STAKEHOLDERS

The Tosto Group engages in constant, timely, and updated communication to share the activities and experiences of its member companies step by step. This strategy aims to promote the Group's values, the uniqueness of its products, the efficiency of its organization, and its commitment to customers, the community, the territory, and the environment.

In addition to offline communication, primarily through participation in industry events and fairs, as well as through major daily newspapers to support development policies and protect strategies, the Tosto Group also conducts impactful communication via leading social networks: LinkedIn, Facebook, and Instagram. These platforms allow for rapid and widespread dissemination of the company's philosophy and keep stakeholders informed about facts and events concerning the Group.

A significant portion of the content shared on these channels focuses on the company's efforts and commitments to environmental and social responsibility. This is crucial as it informs stakeholders about the company's sustainability practices, builds trust, and enhances the corporate reputation.

The Marketing and Communication Office, in collaboration with a team of professional consultants in graphics, publishing, printing, mass media, and web, performs a high-quality teamwork effort.



Transparent Communication: The Heart of Customer Relations.

In the landscape of corporate communication, WTS GAS stands out for its commitment to transparency and clarity. Recognizing the crucial importance of customer trust, the company launched an innovative and ambitious advertising campaign in 2021 under the hashtag #parliamocichiaro (#letstalkclearly). This initiative, born from a careful analysis of critical points in consumer perception of LPG, aims to dispel doubts and uncertainties through open and direct communication. The marketing team developed engaging and comprehensible informational materials, illustrating the journey of LPG from its source to the end customer.

The market response was overwhelmingly positive. The campaign not only led to an increase in sales and the acquisition of new customers but also significantly strengthened the bond with existing clientele. This success highlights how transparency is not just a marketing strategy, but a fundamental pillar of WTS GAS's corporate identity.

Building on the momentum of this successful initiative, WTS GAS has continued to evolve its communication strategy. The company has developed a distinctive marketing communication line characterized by a direct and unique approach. By employing irony, WTS GAS has created a recognizable tone of voice that not only captures attention but also emphasizes the company's distinctive features and advantages in the market.

This combination of humor and substantial information has enabled the company to maintain a fresh and engaging dialogue with its audience, further reinforcing its positioning as an innovative brand close to consumers.

The commitment to clear communication extends across all company channels. The WTS GAS website has been optimized with streamlined and intuitive contact forms, facilitating interaction with current, potential, and aspiring collaborators. Additionally, the introduction of a dedicated WhatsApp number provides a direct and immediate communication channel, aligning with modern consumer contact preferences.

SYNERGIES

2-28

The Tosto Group has long understood that true strength in the modern industrial world lies in **collaboration**. This vision has materialized into a two-tier strategy that has transformed how the Group operates and interacts with its environment. Internally, the companies within the Group have broken down traditional barriers, combining their commercial expertise, financial resources, and management capabilities. This internal synergy has created a collective strength that far surpasses the sum of its individual parts. The result? The ability to tackle challenges that once seemed insurmountable for single companies.

But the Tosto Group hasn't stopped there. Recognizing that innovation and sustainable development require a **collective effort** that transcends company boundaries, it has extended its collaborative philosophy to the external world. By actively participating in various national and international associations, the Group has positioned itself at the center of ongoing dialogue with various industry stakeholders.

This dual strategy has led to tangible and impressive results. The Group is now able to forge **agreements** with leading multinationals and secure contracts of a scale that would have been unthinkable for individual companies. This is not just about economic growth; it represents a qualitative leap that has enabled the Group to meet the needs of an increasingly sophisticated and demanding clientele.

At the same time, through its involvement in trade associations and sustainability initiatives, the Tosto Group is actively shaping the future of the industry. It is no longer just a market player but a **promoter of progress and innovation**. Ultimately, this strategy reflects a broader vision of business success. For the Tosto Group, creating value means not only growing as a company but also contributing to the development of the entire industrial ecosystem. It is an approach that sees collaboration, innovation, and sustainability not just as objectives but as the true pillars on which to build a future of shared growth.



In 2023, Newcleo signed an agreement with the Tosto Group to collaborate on the research, design, and industrialization of lead-cooled modular reactors. This long-term partnership includes an equity mechanism that allows the Tosto Group to invest in Newcleo. The Tosto Group will leverage its expertise in the manufacturing of critical components, supporting the development of a 30 MWe experimental reactor and a 200 MWe commercial unit.

Main Memberships



Risks and opportunities

The global risk landscape continues to evolve rapidly, with increasing emphasis on "non-financial" risks or "ESG" (Environmental, Social, Governance) risks. The Global Risks Report 2024 from the World Economic Forum highlights an evolving risk panorama. While environmental risks remain significant, new concerns related to misinformation, artificial intelligence, and geopolitical tensions are emerging. This shift underscores the increasingly complex interconnection between technological, social, environmental, and economic risks, necessitating a more integrated approach to corporate risk management.

The Tosto Group, operating in highly complex sectors such as heavy fabrication, LPG distribution, and petroleum product storage, faces a range of significant risks. Effective management of these risks is essential not only to ensure business continuity but also to contribute to a more sustainable future.

In recent years, the Group has intensified efforts to integrate traditional business risks with specific sustainability risks. This holistic approach to risk management has become crucial not only to meet the growing expectations of financial stakeholders but also to align with the United Nations Sustainable Development Goals for 2030 and the ambitious decarbonization policies of the European Union.

In-depth analysis of the Group's Risk Universe has led to the identification of key ESG risks, whose effective management is essential for ensuring the long-term sustainability of the company. These risks have been categorized into environmental, social, governance, and

cross-cutting risks, reflecting the interconnected nature of the challenges the Group faces.

The Tosto Group's risk management strategy is based on a proactive and integrated approach, considering not only financial impacts but also environmental and social ones. This approach aims to create sustainable value for all stakeholders while contributing to global sustainable development goals.

In the following sections, the key identified ESG risks and their management strategies are detailed, highlighting how the Tosto Group is working to turn these challenges into opportunities for innovation and sustainable growth.

GOVERNANCE	
RISK CATEGORY	DESCRIPTION OF THE RISK FACTOR
Regulatory compliance risks	In an increasingly complex and rapidly evolving regulatory landscape, failure to comply with new regulations (e.g., environmental, safety, fiscal) can lead to severe penalties, reputational damage, and loss of operating licenses, significantly impacting business continuity.
Risks of corruption and unfair competition	In a context of increasing global scrutiny and regulation, corrupt behaviors or unfair competition practices can have severe and far-reaching consequences. These include damage to corporate integrity and reputation, significant financial penalties, exclusion from public tenders and key markets, and loss of business partners and investors. Additionally, they can trigger international legal actions and class actions by consumers, undermining stakeholder trust and the company's competitive position in the long term. The growing interconnectedness of global markets amplifies the impact of such risks, making proactive governance and a corporate culture based on integrity and transparency essential.
Risks of technological innovation	The inability to adopt and integrate new technologies (such as AI, IoT, blockchain) can compromise operational efficiency and product innovation. This could delay entry into emerging markets and reduce long-term competitiveness, especially in a rapidly evolving technological landscape.
Risks of privacy and data security	In the era of big data and with regulations like the GDPR, privacy violations can result not only in financial penalties but also in a loss of customer trust, negatively impacting brand value and consumer loyalty.
Risks related to ESG assessment	With the growing importance of ESG criteria for investors and stakeholders, a low ESG rating can have significant impacts. In addition to limiting access to financing, it can negatively affect relationships with business partners, customers, and potential talent. This can hinder the company's ability to innovate and adapt to future challenges, compromising long-term competitiveness in an increasingly sustainability-oriented market.
Risks related to customer satisfaction	In an era of rapid technological and market changes, understanding and anticipating customer needs is crucial. The inability to adapt to shifting consumer preferences, including increasing expectations for sustainability and social responsibility, can lead to a swift erosion of market share. Furthermore, in the age of social media, customer dissatisfaction can quickly amplify, causing significant reputational damage.
Cybersecurity risks	The increase in digitalization and remote work has intensified cybersecurity risks. Incidents such as business interruptions, personal data breaches, and loss of strategic information—both within the company and throughout the supply chain—can seriously compromise operations and corporate reputation. Effective governance requires a proactive approach to cybersecurity that is integrated at all levels of the organization.
Risks of fraud and illicit activities	With the evolution of technologies and the increasing complexity of global operations, the risk of fraud and illicit activities has intensified. In addition to potential operational suspensions, these behaviors can lead to severe financial penalties, lasting reputational damage, and a loss of stakeholder trust. The growing regulatory focus on corporate responsibility requires increasingly sophisticated internal control systems and a corporate culture strongly oriented towards ethics.
Risks associated with intellectual property	In an increasingly knowledge-based economy, protecting intellectual property is essential. In addition to traditional data breach risks, cybersecurity threats and digital industrial espionage represent new challenges. The loss of intellectual property can quickly compromise competitive advantage, especially in highly innovative sectors. At the same time, overly rigid management can hinder strategic collaborations and open innovation, requiring a delicate balance.

SOCIAL

RISK CATEGORY	DESCRIPTION OF THE RISK FACTOR
Risks to health and safety of workers	In a post-pandemic context and with increasing environmental challenges, protecting the health and safety of workers assumes even greater importance. In addition to traditional risks, new challenges related to work-related stress, hybrid work, and climate change are emerging. The goal of zero incidents requires a pervasive safety culture, advanced technologies for monitoring and prevention, and continuous training adapted to new work realities.
risks related to human resource management	In an increasingly competitive and dynamic labor market, attracting and retaining talent becomes crucial. The challenge includes not only offering competitive compensation but also creating an inclusive, flexible, and stimulating work environment. Emphasizing diversity, equity, and inclusion (DEI) is essential, as well as providing personalized development programs and work-life balance policies. The absence of these elements can lead to a loss of competitiveness and innovation.
Risks related to human rights violations	With growing global awareness and stricter regulations, respecting human rights throughout the entire value chain is essential. This includes not only direct employees but also suppliers, local communities, and other stakeholders. Human rights due diligence and transparency in business practices are crucial to avoid reputational and legal risks.
Risks related to the skills gap	The rapid technological evolution and the transition towards a more sustainable economy create new skill requirements. Failure to adapt can lead to a loss of competitiveness and innovation. A proactive approach to training and skill development is essential, including collaboration with educational institutions.
Risks related to Local Content	Integration with local communities and contributing to local economic development are crucial for the social license to operate. This is especially relevant for projects in sensitive or developing areas. Neglecting this aspect can lead to social conflicts, hostility from local communities, and operational obstacles.
Pandemic risks	Although the immediate focus on COVID-19 has diminished, the risk of future pandemics remains significant. Preparedness includes robust business continuity plans, operational flexibility, and a strong emphasis on public health. Resilience to these events is now considered a key aspect of enterprise risk management.

ENVIRONMENT

RISK CATEGORY	DESCRIPTION OF THE RISK FACTOR
Risks of inadequate carbon management	In a context of increasing regulatory pressure towards decarbonization, the failure to implement an effective carbon management strategy exposes the company to penalties, loss of competitiveness, and difficulties in accessing "green" financing. A proactive emissions reduction strategy is essential to mitigate these risks and seize the opportunities of the energy transition, which is relevant for all divisions of the Tosto Group.
Process safety and asset integrity incidents	Process safety and asset integrity are fundamental at all stages of the asset lifecycle: from design to construction with appropriate materials, to operation, and finally to decommissioning. Inadequate management of residual risk can compromise reliability and safety, putting people and the environment at risk. It is crucial to disseminate a culture of asset integrity throughout the organization, ensuring that every employee understands their role in maintaining operational safety.
Environmental risks	Here's the translation of that passage: With stricter environmental regulations, the risks include non-compliance, negative impacts on ecosystems, and inefficient resource management. A proactive approach to environmental management must include: • Innovation in production processes and circular economy strategies • Prevention of environmental contamination, especially regarding the storage of petroleum products • Effective management of industrial waste, particularly relevant for the heavy boiler sector
Risks of natural disasters and climate change	Climate change increases the frequency of extreme events, introducing risks of physical damage, operational disruptions, and rising costs. It is necessary to develop climate resilience plans and adapt infrastructures, which are crucial aspects for all companies in the Group.

RISCHI TRASVERSALI ESG

RISK CATEGORY	DESCRIPTION OF THE RISK FACTOR
Energy transition risk	With the increasing push towards renewable energy sources, the LPG and oil sector may face challenges related to long-term demand reduction. This risk necessitates a diversification strategy and adaptation of the business model to remain competitive in an evolving energy market.
Geopolitical and market risk	Geopolitical instability can cause disruptions in supply chains, volatility in raw material and energy prices, and loss of markets. For the Tosto Group, with geographically diversified operations, it is crucial to develop resilience strategies and operational flexibility.
Risk of business resilience	The ability to quickly adapt to external shocks (pandemics, energy crises, extreme weather events) is fundamental. This requires robust business continuity plans, diversification of energy sources and supply chains, and flexibility in operational models for all companies in the Group.
Sustainable supply chain	Sustainable supply chain management is crucial for the company's governance and ESG performance. Continuous auditing allows for the selection of virtuous suppliers, mitigation of reputational and operational risks, and promotion of sustainable innovation. Neglecting this aspect can expose the company to risks of non-compliance, operational disruptions, and loss of competitiveness, negatively impacting corporate efficiency and resilience.
Risk of stakeholder management and reputation	In sensitive sectors such as energy and industry, effective management of stakeholder relationships and corporate reputation is crucial. This includes transparency in communication, proactive engagement with local communities, and a prompt response to stakeholder concerns.
Risk of sustainable innovation	The ability to innovate sustainably, both in processes and products, is essential to remain competitive. This includes adopting clean technologies, implementing circular economy principles, and developing solutions to support the energy transition for customers.

MITIGATION OF RISKS

2-23

2-24

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2-26

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205-1

205-3

416-1

418-1

In today's business landscape, characterized by rapid changes and increasing challenges, the Tosto Group has developed a holistic and proactive approach to risk management. This approach not only safeguards operations but also allows potential threats to be transformed into opportunities for growth and innovation.

At the heart of the risk mitigation strategy lies a solid ethical foundation. The **Codes of Ethics** adopted by all companies within the Tosto Group are not merely documents but true pillars of the corporate culture. They guide every action, from strategic decisions to daily interactions with customers, suppliers, and stakeholders. These relationships must be based on transparency, fairness, honesty, integrity, and impartiality. The Code of Conduct commits to ensuring consistency with these guidelines, ensuring that every staff member acts with the highest level of integrity, complies with the law, and contributes to building a better future for the company and the community in which it operates.

Walter Tosto S.p.A. and Belleli Energy CPE S.r.l. have adopted the Organizational, Management, and Control Model according to **Legislative Decree 231/2001**, of which the Code of Ethics is an integral part. The models have been approved by the Administrative Body and apply to members of corporate bodies, staff, and third parties. The Supervisory Body is responsible for monitoring the implementation and compliance with the Code of Ethics.

All companies are firmly committed to maintaining the highest standards of integrity, honesty, and fairness in every aspect of their business activities, tolerating no form of corruption. This commitment aligns with the tenth principle of the United Nations Global Compact, which categorically rejects corruption "in all its forms, including extortion and bribery." The **anti-corruption** policy further reinforces this commitment, creating a transparent and ethical working environment.

The Tosto Group recognizes the crucial importance of maintaining a competitive market and is committed to fully complying with **antitrust** laws in the countries where it operates. The companies consider the principles of fairness, fair competition, and transparency as fundamental not only as corporate values but as cornerstones for the proper functioning of the market. This commitment goes beyond mere compliance with antitrust regulations, as demonstrated by the WTS GAS initiative, which has implemented a new contractual framework approved by the Antitrust Authority, establishing new standards of transparency in the sector.

A key element in the risk mitigation strategy of the Tosto Group is a comprehensive **insurance coverage system** designed to protect companies, employees, and stakeholders from a wide range of potential operational and financial risks. All companies in the Group are equipped with third-party liability insurance policies, ensuring solid protection in case of damage to third parties resulting from business activities.

Walter Tosto S.p.A., in particular, extends its insurance coverage to include transported goods, incorporating other group companies such as Belleli Energy CPE, Walter Tosto WTB, and YOURWAY in this protection. To safeguard corporate assets, Walter Tosto, Belleli Energy, Walter Tosto WTB, and Seastock have taken out Property/all risk policies, providing comprehensive coverage against material damage and financial losses.

The Codes of Ethics can be accessed at the following addresses:

WALTER TOSTO S.p.A.
https://www.waltertosto.it/wp-content/uploads/2018/04/Codice_Etico_Walter_Tosto_SpA_estratto_dal_Modello_231_Walter_Tosto_SpA.pdf

WALTER TOSTO WTB S.r.l.
https://www.wtb.ro/wp-content/uploads/2022/05/Code_of_Ethics_WTB.pdf

BELLELI ENERGY CPE S.r.l.
https://www.belleli.it/wp-content/uploads/2018/04/BE_CODICE-ETICO.pdf

WTS GAS S.p.A.
<https://www.wtsgas.it/codice-etico/>

SEASTOCK S.r.l.
<https://www.seastock.it/>

Attention to safety also extends to the protection of employees, with accident and life insurance for executives, in compliance with the requirements of the national collective labor agreement (CCNL). Walter Tosto also has specific coverage for the management of the company daycare, demonstrating its commitment to the well-being of employees and their families. Of particular relevance is the environmental liability and pollution insurance taken out by Seastock, which reflects the Group's awareness and commitment to environmental responsibility.

In 2023, Walter Tosto subscribed to a SACE insurance policy for a strategic contract. This covers 50% of the amount to be collected, including deferred payment interest, offering 95% protection against commercial risks and 100% against political risks. In the digital age, data protection and cybersecurity have become top priorities. The approach to managing personal data, compliant with **GDPR** and supervised by a dedicated Data Protection Officer (DPO), has allowed the companies to maintain an impeccable record, with no complaints regarding privacy violations over the years. The cybersecurity infrastructure, which includes cutting-edge technologies such as Next Generation Firewalls and Palo Alto Cortex XDR Endpoint Protection, is constantly updated and reinforced by ongoing training programs for staff.

Walter Tosto, Belleli Energy CPE, and Walter Tosto WTB have long demonstrated their commitment to corporate integrity and transparency through the implementation of a **whistleblowing** system. This mechanism, already in place in the companies, has been updated and enhanced following the adoption of the European directive on the matter. The new system provides employees and stakeholders with a secure and confidential channel to report potential ethical, legal, or procedural violations.

The update has strengthened the protective measures for whistleblowers, ensuring anonymity and preventing any form of retaliation.

Additionally, the categories of accepted reports have been expanded, and the procedures for managing and investigating these reports have been optimized. The commitment to integrity and transparency is also recognized externally, as evidenced by the legality ratings obtained by our companies and their inclusion in the prefectural **white lists**. These recognitions not only attest to reliability but also open new business opportunities and collaborations.

For companies specializing in pressure equipment, **product safety** is an absolute priority. Walter Tosto, Walter Tosto WTB, and Belleli Energy CPE have implemented rigorous risk analysis processes, compliant with the most stringent regulations such as the PED Directive 2014/68/EU, ensuring maximum safety and reliability of the products.

The Group's global vision is reflected in the **export certifications obtained** (AEO, REX, Authorized Exporter, Approved Place), which not only facilitate international operations but also demonstrate adherence to the highest standards of compliance and quality worldwide.

This integrated approach to risk management is not static but continually evolving. The effectiveness of the tools is constantly monitored, adapting them to new emerging challenges. It is this dynamism that allows not only for risk mitigation but also for transforming risks into opportunities for innovation and sustainable growth. In conclusion, the risk mitigation strategy of the Tosto Group is much more than a defense system: it is a value engine that fuels competitiveness, strengthens stakeholder trust, and leads toward a more resilient and sustainable future.

Future **goals** and commitments

The Tosto Group has outlined an ambitious strategy for the period 2022-2030, focused on achieving the United Nations Sustainable Development Goals (SDGs). In particular, the company is committed to combating climate change (SDG 13) through specific decarbonization actions and the expansion of renewable energy sources (SDG 7).

This vision is based on fundamental pillars that reflect the Group's commitment to responsible and sustainable growth.

Strategic Pillars:

- Centrality of people
- Focus on health and safety at work
- Sustainability of the supply chain
- Integrated governance structure
- Technological innovation and digitalization
- Adoption of a circular economy model

It is important to highlight that the first cross-cutting objective, which encompasses environmental, social, and governance areas, is the introduction of specific quantitative targets. This approach aims to make the Group's progress toward sustainability measurable and verifiable in all its aspects. The adoption of quantifiable targets will allow for a more accurate assessment of performance, facilitating the identification of areas for improvement and the definition of corrective actions where necessary.

This commitment to quantifying objectives reflects the Tosto Group's determination to pursue a concrete sustainability strategy based on tangible evidence.

STRATEGIC PILLARS

1. Centrality of People

2. Focus on Health and Safety at Work

3. Sustainability of the Supply Chain

4. Integrated Governance Structure

5. Technological Innovation and Digitalization

6. Adoption of a circular economy model.

Environmental goals

Increased participation in R&D projects focused on decarbonization and energy transition	Costante	 	
Expansion of photovoltaic systems for renewable energy generation.	Entro il 2026		
Implementation of an EPP policy (Environmentally Preferable Purchasing)	Entro il 2025		
Carbon management for the gradual reduction of CO ₂ emissions and compensation of residual emissions.	Entro il 2030		
Mapping of suppliers' greenhouse gas emissions	Entro il 2025		
Adozione di un sistema di monitoraggio in tempo reale dei consumi energetici per ottimizzare l'efficienza	Entro 2026		
Redazione del Bilancio ambientale	Entro il 2025		
Installazione di postazioni di ricarica elettrica per dipendenti e mezzi interni	Entro il 2025	 	

The Tosto Group recognizes the crucial role of people in the energy transition process and in achieving corporate objectives. For this reason, specific training and well-being initiatives will be introduced to enhance human capital.

Technological innovation, digitalization, and the adoption of a circular economy model are identified as key levers to accelerate the achievement of the goals outlined in the 2021-2030 Sustainability Plan. In this direction, the Group is committed to launching pilot projects and strategic partnerships.

Through these commitments and objectives, the Tosto Group aims to create long-term value for

all stakeholders, actively contributing to the fight against climate change (SDG 13) and expanding renewable energy sources (SDG 7), in line with the United Nations Sustainable Development Goals.

The path towards fully sustainable development is long and complex, but the Tosto Group is determined to pursue it with consistency, innovation, and responsibility, aware that each step in this direction contributes to a fairer, more prosperous, and sustainable future for all.

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Social Goals

Sviluppo di attività formative per tutto il personale su legalità, anticorruzione, diversità e inclusione	Entro il 2026	  	 
Certificazione SA8000	Entro il 2026	  	 
Certificazione pari opportunità	Entro il 2025	 	 
Integrazione delle politiche per le pari opportunità, diversità e inclusione	Entro il 2025		

Governance Goals

Rafforzamento costante degli strumenti per la mitigazione dei rischi ESG.	Costante	 	   
Istituire un comitato di sostenibilità a livello di consiglio di amministrazione.	Entro il 2026		   



impact materiality

Materiality analysis
Negative impacts
Positive impacts
Material topics
Contribution to the SDGs and
adherence to the UN Global
Compact principles

Materiality analysis

In 2023, the Tosto Group made a significant advancement in its sustainability strategy by conducting a comprehensive and integrated materiality analysis that encompasses its main companies: Walter Tosto S.p.A., Walter Tosto WTB S.r.l., Belleli Energy CPE S.r.l., WTS GAS S.p.A., and Seastock S.r.l. This analysis, based on the GRI Universal Standards 2021, marked an important evolution in the Group's approach to understanding and managing its most significant impacts on the economy, the environment, and people, including impacts on human rights.

Methodology and Approach

The analysis was conducted using the "inside-out" or "impact materiality" approach, focusing on the actual impacts of the Group's activities. This process involved:

- **Context Analysis:** An in-depth examination of the activities of each company in the Group, considering missions, visions, business models, and geographical areas of interest. Particular attention was paid to business relationships with customers, suppliers, and licensees in all sectors where the Group operates.
- **Sustainability Context Assessment:** An analysis of global mega trends, specific trends in the relevant sectors (heavy boiler manufacturing, LPG distribution, petroleum product storage), competitors, and the evolving regulatory context.
- **Stakeholder Mapping:** A comprehensive review of the stakeholders across all the Group's companies to understand the diverse expectations and needs in each area of activity.

Identification and Evaluation of Impacts

The process led to the identification of 35 relevant impacts, an increase from the 29 identified in the previous year, reflecting the growing complexity and diversification of the Group's activities.

The evaluation of these impacts involved:

- The Board of Directors of each company
- The Board of Statutory Auditors
- The Group's Sustainability Governance
- Selected external stakeholders for each sector of activity

Each impact was assessed on a scale from 1 to 5, taking into account both the severity of the impact and the likelihood of occurrence. The process included in-depth interviews, one-on-one meetings, and targeted stakeholder engagement activities specific to each sector.

Integration with Risk Management

The materiality analysis has been closely integrated with the **Risk Assessment** activities conducted at the Group level, incorporating:

- The strategic business planning of each entity;
- The processes for renewing certifications according to international standards specific to each sector.

This approach has allowed for the creation of synergy between risk management and the assessment of sustainability impacts, ensuring a holistic view of the Group's challenges and opportunities.

Prioritization and Validation

The impacts were prioritized separately for each company within the Group, considering both positive and negative effects. This differentiation allowed for capturing the specificities of each sector.

The prioritization took into account the entire **value chain**, including upstream and downstream activities, for a comprehensive understanding of the impacts across all operational sectors of the Group.

The process concluded with **internal validation** by **key stakeholders** from each company, ensuring that the identified impacts were accurate, relevant, and based on solid, verifiable data.

Results and Implications

This integrated materiality analysis has provided the Tosto Group with a comprehensive and nuanced view of its most significant **impacts**. It highlighted areas of synergy among the various companies within the Group, as well as specific challenges for each sector. The results are guiding the development of targeted sustainability strategies that consider the unique characteristics of each company while maintaining a coherent approach at the Group level.

The exercise has also strengthened dialogue with stakeholders across all sectors of activity, laying the groundwork for closer collaboration and greater transparency in the Group's sustainability practices.



Negative impacts

3-1

As part of our materiality analysis, the Tosto Group has identified a range of potential negative impacts that could affect sustainability performance. These impacts cover various dimensions—environmental, social, and economic—and reflect the unique challenges faced by different operational sectors, from heavy fabrication to LPG distribution and petroleum product storage.

The main risks identified include: management of greenhouse gas emissions, energy efficiency, waste and hazardous substance management, ensuring, adaptation to energy transition.

On the social and economic front, challenges arise related to personnel skills, health and safety in the workplace, and product quality and safety. These impacts require careful and proactive management to mitigate risks and ensure the long-term sustainability of business operations.

NEGATIVE IMPACTS

SIZE	MATERIAL TOPIC	NEGATIVE IMPACT GENERATED ON THE ECONOMY, ENVIRONMENT AND PEOPLE	POSITIONING WITHIN THE VALUE CHAIN	TYPE OF IMPACT	SEVERITY	PROBABILITY OF OCCURRENCE
Environmental	Changes	Failure to reduce greenhouse gas (GHG) emissions leads to a departure from Net Zero objectives	The impact refers to the entire value chain	Actual	5	4,5
Social	Skills for the future	Lack of staff skills	The impact refers to operations Potential	Potential	5	4
Environmental	Energy efficiency	Irresponsible management of energy resources and lack of effective energy efficiency strategies for company activities	The impact refers to the entire value chain	Actual	5	4
Environmental	Management of waste and dangerous substances	Inadequate management of industrial waste and hazardous substances, with potential environmental damage, health risks and regulatory sanctions	The impact refers mainly to operations, but can extend to the entire value chain	Actual	5	4
Environmental	Energy transition	Inability to seize opportunities development in emerging businesses does not allow us to contribute and adapt to the ecological transition	The impact refers to the entire value chain	Potential	5	4
Social	Employment	Inability to find and attract talent and guarantee adequate personal and professional growth opportunities for all employees.	The impact refers to operations	Potential	5	3,5

NEGATIVE IMPACTS

SIZE	MATERIAL TOPIC	NEGATIVE IMPACT GENERATED ON THE ECONOMY, ENVIRONMENT AND PEOPLE	POSITIONING WITHIN THE VALUE CHAIN	TYPE OF IMPACT	SEVERITY	PROBABILITY OF OCCURENCE
Social	Health and safety at work	Occurrence of accidents and injuries due to failure to disseminate the culture of safety and asset integrity	The impact refers to operations	Potential	5	3,5
Social-economic	Quality and safety	Production of equipment not compliant with quality and safety standards, risks in the distribution and storage of petroleum products and consequent reputational and economic damage for companies	The impact refers to the entire value chain	Potential	5	3,5
Economic	Wealth Generation	Imprudent economic management of the company	The impact refers to the entire value chain	Potential	5	3
Economic-Social	Supply chain management	Interruptions or delays in the supply chain that compromise production capacity, resulting in economic impacts and potential breaches of contractual commitments	The impact refers to the entire value chain	Potential	4,5	4
Environmental	Sustainable Innovation	Using obsolete technology and not meeting customer needs results in a lower strategic positioning compared to the competition	The impact refers to the entire value chain	Potential	4,5	3,5
Social	Local communities	Damage to local communities	The impact refers to the entire value chain	Potential	4,5	3,5
Economic-Social	Ethics and Integrity	Non-compliance with environmental, social and governance laws and regulations, including corruption, unfair trade practices and human rights violations	The impact refers to the entire value chain	Potential	4,5	3
Environmental	Circular economy	Failure to implement a circular business model	The impact refers to the entire value chain	Actual	4	3
Social	Cyber Security and Data Protection	Violation of data protection regulations and inadequate protection of intellectual property	The impact refers to the entire value chain	Potential	4	3
Social	Welfare	Failure to understand and meet staff needs	The impact refers to operations	Potential	4	3
Environmental; Social	Sustainable supply chain	Failure to verify respect for human rights and sustainable practices along the entire value chain	The impact refers to the entire value chain	Potential	4	2,5
Social	Non-discrimination and equal opportunities	Failure to implement inclusion policies within the company, including respect for human rights	The impact refers to operations	Potential	4	2
Environmental	Water resources management	Inefficient use of water resources in production processes, with potential water stress in the areas of operation and increased operating costs	The impact mainly relates to operations	Potential	3,5	2

Positive impacts

3-1

The Tosto Group is firmly committed to generating significant positive impact through its activities across all operational sectors, from heavy fabrication to LPG distribution and petroleum product storage. The Group's materiality analysis has identified several areas where the company can create sustainable value for the economy, the environment, and people.

Among the key positive impacts are the Group's commitment to sustainable innovation, with targeted investments in R&D for decarbonization, and a strong focus on health and safety in the workplace. The Group generates wealth through prudent economic value management while simultaneously creating qualified employment opportunities.

Attention to ethics, integrity, and the development of personnel skills contributes to creating a positive and inclusive work environment. Additionally, the Group is actively committed to energy efficiency, combating climate change, and supporting local communities.

These positive impacts reflect the Tosto Group's long-term commitment to sustainable and responsible growth across all its sectors of activity.

POSITIVE IMPACTS

SIZE	MATERIAL TOPIC	POSITIVE IMPACT GENERATED ON ECONOMY, ENVIRONMENT AND PEOPLE	POSITIONING WITHIN THE VALUE CHAIN	TYPE OF IMPACT	SEVERITY	PROBABILITY OF OCCURRENCE
Environmental	Sustainable Innovation	Investments in R&D for global decarbonization and to improve the efficiency of business operations	The impact refers to the entire value chain	Actual	5	4,5
Social	Health and safety at work	Dissemination and strengthening of safety culture in the workplace	The impact refers to operations	Actual	5	5
Economic	Wealth Generation	Good management of the economic value generated and distributed	The impact refers to the entire value chain	Actual	5	5
Social	Employment	Creation of skilled jobs	The impact refers to operations and the local community	Actual	5	4
Economic; social	Ethics and Integrity	Ethical management of all business affairs and compliance with laws and regulations	The impact refers to the entire value chain	Actual	5	4
Social	Skills for the future	Training and growth of staff and future workers' skills	The impact refers to the entire value chain	Actual	5	4

POSITIVE IMPACTS

SIZE	MATERIAL TOPIC	POSITIVE IMPACT GENERATED ON ECONOMY, ENVIRONMENT AND PEOPLE	POSITIONING WITHIN THE VALUE CHAIN	TYPE OF IMPACT	SEVERITY	PROBABILITY OF OCCURRENCE
Social	Non-discrimination and equal opportunities	Creating an inclusive work environment that respects human rights	The impact refers to operations and the supply chain	Actual	4,5	4,5
Social	Cyber Security and data protection	Protection of sensitive data and information of strategic importance	The impact refers to the entire value chain	Actual	4,5	4,5
Environmental	Energy efficiency	Promotion of responsible management of energy resources and efficiency strategies	The impact refers to the entire value chain	Actual	4,5	4
Environmental	Climate change	Net Zero strategy for corporate energy transition	The impact refers to the entire value chain	Actual	4,5	4
Social	Local communities	Programs for the growth and care of the local community	The impact refers to the local community and operations	Actual	4,5	4
Environmental; Social	Sustainable supply chain	Supply chain ESG audits and assessments	The impact refers to the entire value chain	Actual	4,5	4
Environmental	Circular economy	Participation in circularity in the market	The impact refers to the entire value chain	Actual	4	3,5
Social	Welfare	Policies oriented to people's needs	The impact refers to operations and employee families	Actual	4	3

Material topics

3-2

In 2023, the Tosto Group adopted the 'inside-out' approach proposed by GRI for its materiality analysis, applying it to all five companies within the Group: Walter Tosto S.p.A., Walter Tosto WTB S.r.l., Belleli Energy CPE S.r.l., WTS GAS S.p.A., and Seastock S.r.l. This methodology, based on the perspective of 'impact materiality,' enabled the Group to broaden its vision by considering the international context in which it operates and evaluating both positive and negative impacts generated along the entire value chain across all its sectors.

The analysis led to the reaffirmation of previously recognized relevant topics and the identification of new critical topics. Notable among these are Sustainable Innovation, Ethics and Integrity, and Cybersecurity and Data Protection. These topics reflect the Group's increasing focus on sustainability, the importance of ethical integrity in business management, and the need to protect data and strategic information in an increasingly complex digital landscape.

The Tosto Group acknowledges the importance of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda and the Ten Principles of the UN Global Compact. In line with this commitment,

the Group has identified the connections between the priorities defined by the material topics of all its companies and their impact on the 17 SDGs and the principles of the Global Compact. This alignment provides the Tosto Group with the opportunity to integrate its future development with a globally sustainable vision, actively contributing to the achievement of international sustainability goals.

The Group's approach embraces the three dimensions of sustainable development—economic, social, and environmental—reflecting the diverse nature of its activities, from heavy fabrication to LPG distribution and petroleum product storage.

This integrated vision enables the Tosto Group to address the specific challenges of each sector while ensuring a coherent and meaningful contribution to global sustainability objectives.

Below is the list of material topics identified in the 2023 materiality analysis, reflecting the shared priorities of all companies within the Tosto Group, along with their alignment with the SDGs and the principles of the Global Compact.

Dimension	Material Topic	Relevance	SDGs	UNGC PRINCIPLES
Environmental	Climate Change and Energy Transition	5	   	
Social	Health and Safety in the Workplace	5	 	
Environmental/ Economic	Sustainable Innovation	5	    	

Dimension	Material Topic	Relevance	SDGs	UNGC PRINCIPLES
Governance	Wealth Generation	4,5		
Environmental	Energy Efficiency	4,5		
Governance	Ethics and Integrity	4,5		
Environmental	Waste and Hazardous Substance Management	4,5		
Social/Economic	Product Quality and Safety	4,5		
Social	Skills for the Future	4		
Social	Employment and People Development	4		
Governance	Cybersecurity and Data Protection	4		
Social/Environmental	Sustainable Supply Chain	3,5		
Social	Non-Discrimination and Equal Opportunities	3,5		
Environmental/Economic	Circular Economy	3,5		
Social	Local Communities and Territorial Development	3		

Contribution to the SDGs and adherence to the **UN Global Compact** principles

2-23

2-24

The Tosto Group has identified the SDGs where it believes it can make the most significant contribution, aligned with its mission and various business activities. For these priority goals, the Group has defined its short- and long-term objectives (see "Future Goals"), focusing on continuous improvement while considering the specificities of each operational sector.

The priority SDGs for the Tosto Group are:

- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all
- Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- Goal 12: Ensure sustainable consumption and production patterns
- Goal 13: Take urgent action to combat climate change and its impacts
- Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Central to these Priority Goals and essential for their achievement is Goal 17 – Partnerships for the Goals, which emphasizes the importance of collaboration and the engagement of all stakeholders in reaching the SDGs.

The Tosto Group's approach to the SDGs reflects a balanced commitment across the various ESG dimensions, ensuring responsible management of business activities and a broad positive impact on society and the environment in all the sectors in which it operates.

To demonstrate this commitment and the importance of integrating sustainability into strategic business decisions, the Tosto Group joined the **United Nations Global Compact** in 2022. The Ten Principles of the Global Compact, covering **human rights, labor, the environment, and anti-corruption**, are embedded in the policies and practices of all companies within the Group.

Membership in the Global Compact provides the Tosto Group with a platform for knowledge sharing and best practices, fostering mutual learning and collective growth toward sustainability.

This commitment translates into concrete actions across all operational sectors, from heavy fabrication to LPG distribution and petroleum product storage, inspiring positive change within their respective industries and the communities where they operate. The Tosto Group is committed to annually reporting on the progress made in implementing the Ten Principles and contributing to the SDGs, reaffirming its role as a responsible leader in the Italian and international industrial landscape.



WE SUPPORT



prosperity

Employment

Research, Development, and Innovation

Financial Stability and International Orientation

Value Creation and Distribution

Community Support

Employment

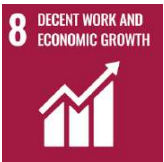
2-7 2-30 3-3 405-1

IIThe success of any initiative depends on human resources, thanks to their skills, abilities, and passion. **For the Tosto Group, people represent the most valuable resource and the essential element in tackling challenges in an increasingly dynamic and competitive international context**, contributing to shaping a sustainable future. For these reasons, the Group places people at the heart of its organization, ensuring respect and protection for workers in every company.

At the Tosto Group, this focus on human resources is not an abstract concept but a tangible operational philosophy. People are placed at the core of the organizational strategy, a fundamental pillar around which all the company's activities revolve.

This not only translates into respecting and valuing individuals but also into creating an environment where each member feels an integral and protected part of the entire Group. The humanistic, people-centered approach adopted by the Tosto Group is more than just a business practice; it is a deep commitment, a statement of intent that paves the way for ethical, responsible, and ultimately prosperous growth.

In the last three years, the Tosto Group has demonstrated significant dynamism in human resources, reflecting the demands of a constantly evolving international context.

SDGs	UNGC PRINCIPLES	KPI	PERFORMANCE 2023
 		Personnel Growth Index (vs 2022)	9.5%
		Change in permanent contracts	-5.8%
		Employee turnover (vs 2022)	+63%

Walter Tosto has seen a steady growth in its workforce, increasing from 449 employees in 2021 to 496 in 2023, marking a 10.5% rise.

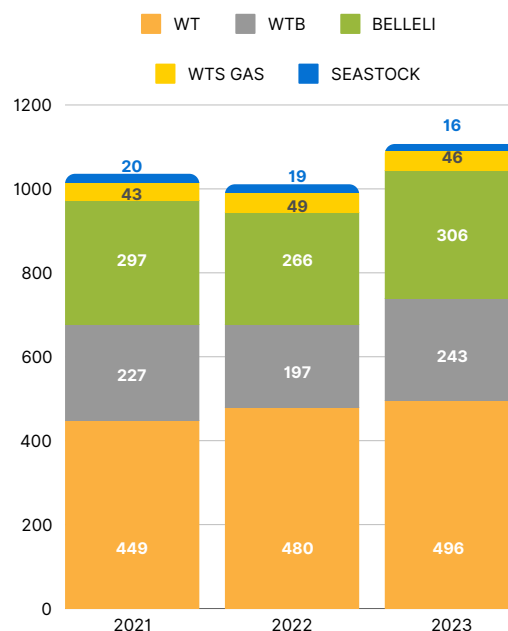
Similarly, Walter Tosto WTB, after a temporary decline in 2022, has recovered and surpassed previous levels, reaching 243 employees in 2023, with a 23.4% increase compared to the previous year.

Belleli Energy CPE also increased its number of employees, with a 15% rise in 2023, reaching a total of 306 employees.

WTS GAS has maintained substantial stability, increasing from 43 employees in 2021 to 46 in 2023, reflecting a 7% growth.

Seastock, acquired in 2021, recorded a reduction in its workforce, decreasing from 20 to 16 employees, marking a 20% decline due to the post-acquisition adjustment process.

Employees as of December 31, 2023, by company (no.)



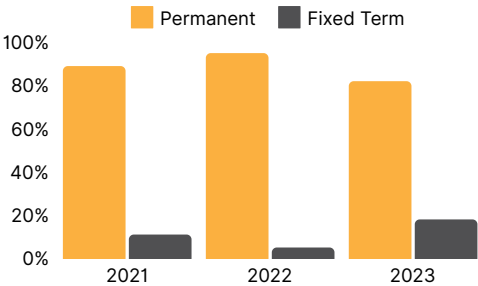
Employees by contract type

The figures from the reference three-year period highlight the Group's focus on contract stability. From 2021 to 2023, the Tosto Group maintained a significant percentage of employees on permanent contracts, although a slight decline was noted in 2023. In fact, the percentage of permanent employees increased from 89% in 2021 to 95% in 2022, before dropping to 82% in 2023. At the same time, temporary contracts rose from 11% to 18% in 2023.

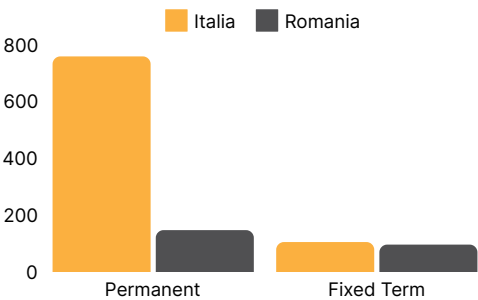
This variation in 2023 is attributable to the hiring of new personnel, who typically start with temporary contracts. In 2023, the total number of permanent employees reached 906, distributed between 759 in Italy and 147 in Romania. As for temporary contracts, the total was 201 employees, with 105 in Italy and 96 in Romania.

These data underscore the Tosto Group's commitment to maintaining a stable core of permanent employees while increasing the use of temporary contracts to bring in new personnel and respond flexibly to global market demands.

Employees by contract type (%)



Employees by Employment Contract, by Geographic Area - 2023 (n.)

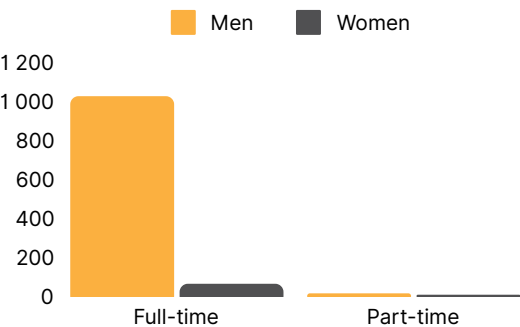


Employees by employment type

At the end of 2023, the workforce structure of the Tosto Group reflects a diverse organization, comprising both full-time and part-time employees. The distribution of employees by gender and employment type is illustrated in the adjacent chart.

The clear predominance of full-time contracts reflects a company trend towards stable and continuous employment. However, the company has also offered part-time work opportunities, though to a lesser extent, to accommodate various employment needs.

Employees by employment type, by gender - 2023 (no.)

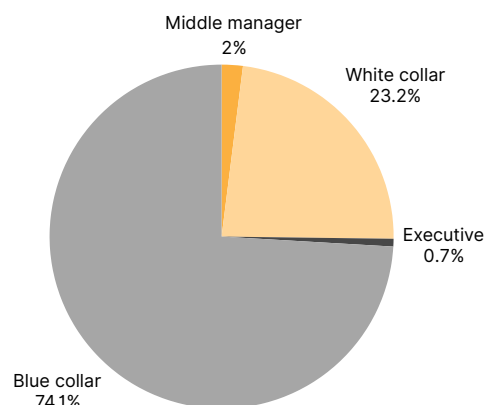


Employees by professional category

The Tosto Group boasts a diverse workforce, distributed across various professional categories that reflect the company's organizational structure. Below is the breakdown of the Tosto Group's personnel, divided by position (see adjacent chart).

This distribution highlights a classic pyramidal structure, with a solid operational base supported by ascending levels of managerial responsibility.

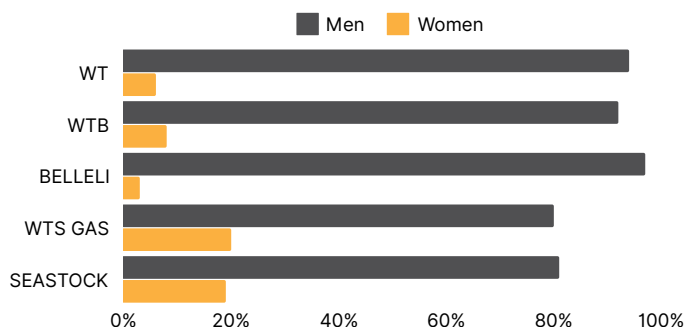
Employees by employment type - 2023 (no.)



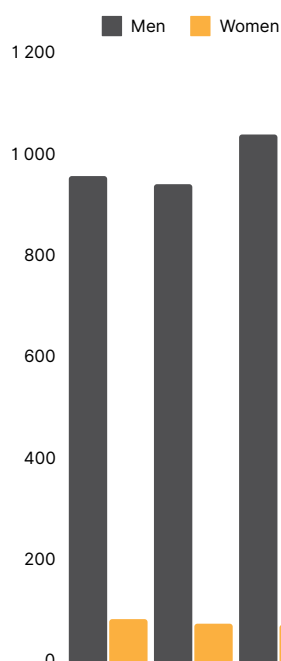
Employees by gender

The analysis of the workforce distribution by gender in the Tosto Group companies confirms a male predominance in 2023, reflecting a characteristic trend in the industrial sector in which the Group operates. This distribution aligns with the traditional dynamics of the industry, where historically there has been a higher presence of male employees. Here are the specific data from the last three years:

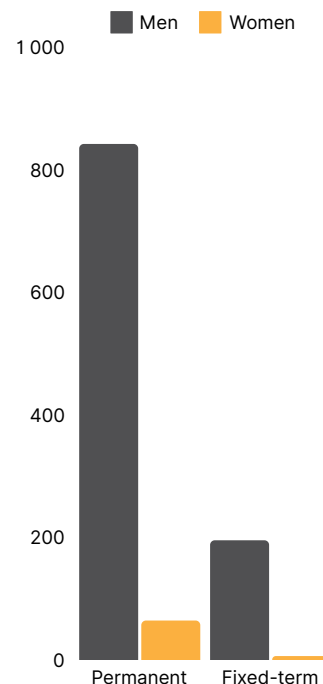
Employees by gender, by company - 2023 (%)



Employees by gender - 2023 (%)



Employees by contract type, by gender - 2023 (no.)



NEW EMPLOYMENT

3-3

401-1

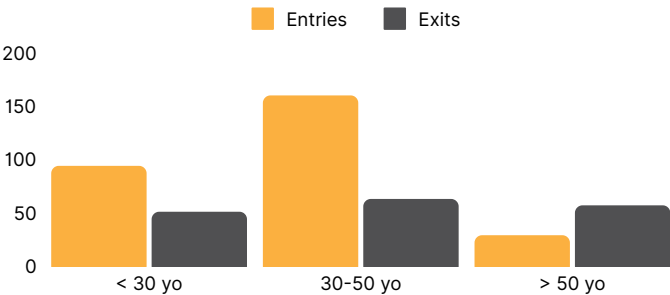
In 2023, the Tosto Group experienced significant workforce movement, with 283 new hires and 171 departures. These figures reflect the company's dynamism and its ability to attract new talent, as well as the natural employee turnover.

It is important to note that this data refers exclusively to employees, considering movements to and from outside the company. The entry and exit rates have been calculated by relating the number of entries and exits in each category to the total number of employees in that category as of December 31, 2023.

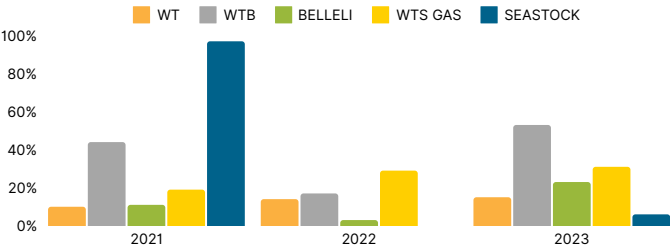
The distribution of entries and exits by age group in 2023 is as follows:

In 2023, the Tosto Group recorded a total of 171 departures. The distribution of the reasons for termination provides valuable insights into the employment dynamics of the company based on geographic area:

Entries from the market and Exits by age group - 2023 (n.)

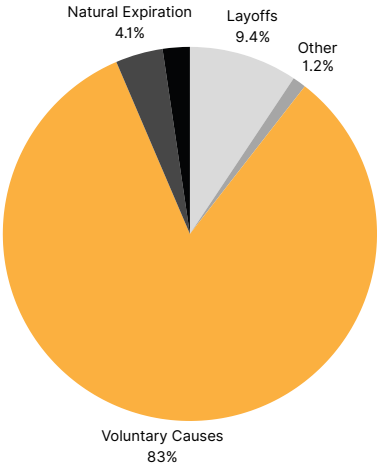


Entry rates by company 2021-2023 (%)*



*Entry rate = (entries/total number of employees as of 31/12) x 100

Reasons for termination of employment - 2023 (%)



The data presented outline the employee turnover rate in Italy and Romania.

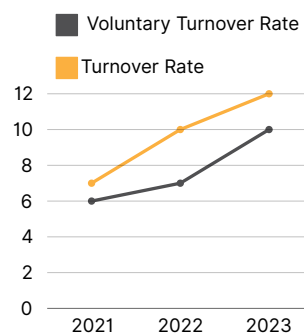
In Italy, relative stability was observed in 2021 and 2022, with turnover rates of 20% and 21%, respectively. However, 2023 marked a significant change, with an increase to 30%. This rise reflects both the shifting conditions of the Italian labor market and adjustments in the company's strategies, which made use of worker entries through the "decreto flussi."

The situation in Romania presents a more varied and complex picture.

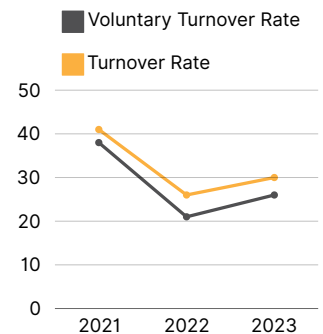
In 2021, a turnover rate of 86% was recorded, reflecting significant challenges in the Romanian labor market. In 2022, a substantial improvement was seen, with the rate halving to 43%, the result of effective retention initiatives implemented from 2022 onwards. However, 2023 saw a return to higher levels, with a turnover rate of 84%.

These fluctuations highlight the complexity and volatility of the labor markets in which the Group operates. Acknowledging the specific challenges of each national context, the Tosto Group is committed to developing tailored strategies aimed at creating stimulating and rewarding work environments. This focus helps attract and retain top talent, thereby contributing to the company's stability and sustainable growth.

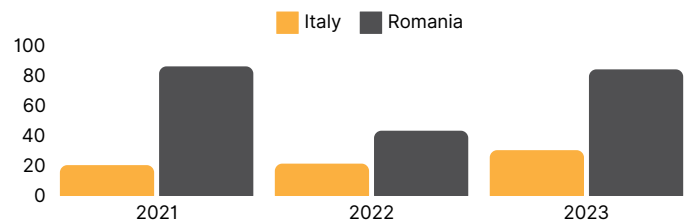
Exit rates - ITALY (%)



Exit rates - ROMANIA (%)

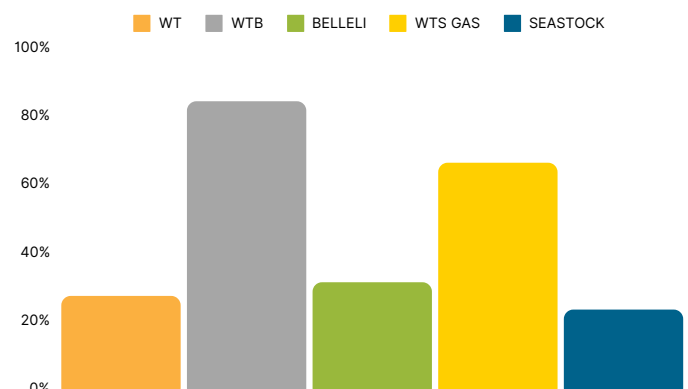


Employee turnover rate 2021 - 2023*



*Turnover rate = (Entries + Exits) / Average workforce

Employee turnover rate by company 2023 (%)



THE LABOR MARKET IN ROMANIA

The labor market in Romania presents a dynamic reality, characterized by unique challenges and opportunities across its eight administrative regions. According to Romania's National Institute of Statistics (INS), the unemployment rate in March 2023 was 5.4% [1], indicating relative market stability. However, the country faces a significant shortage of skilled labor. A 2023 ManpowerGroup report revealed that 86% of Romanian employers struggle to find qualified workers [2]. This issue is exacerbated by emigration: the OECD estimates that around 3 million Romanians live abroad, primarily in other EU countries [3].

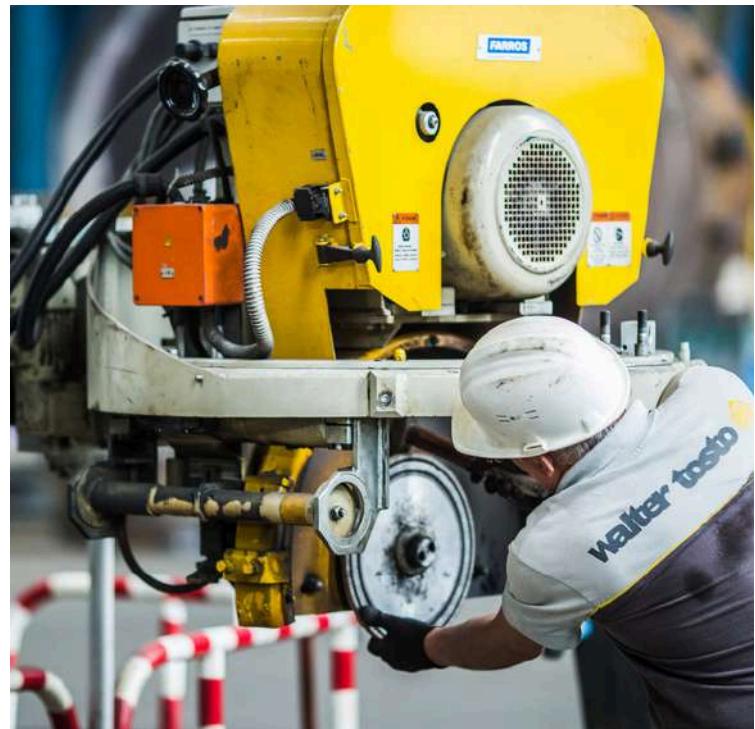
Regarding wages, as of January 1, 2023, the gross monthly minimum wage in Romania was set at 3,000 RON (approximately 606 euros) [4], signaling government efforts to improve working conditions.

A survey conducted by eJobs Romania in June 2022 with a sample of 2,964 respondents provided interesting insights into job change motivations [5]:

- 40% were motivated by higher salaries
- 14% cited excessive workload
- 12% desired a career change
- The same survey revealed that 35% of respondents were actively looking for a new job, while only 21% were fully satisfied with their current position [5].

Despite these challenges, certain sectors are showing strong growth. According to the Romanian Ministry of Labor, the IT, healthcare, and construction sectors are among those with the highest demand for workers [6].

The COVID-19 pandemic accelerated the shift toward remote work and digitalization in many industries, redefining workers' expectations and business practices [7].



Sources:

[1] National Institute of Statistics of Romania (www.insse.ro)

[2] ManpowerGroup Talent Shortage Survey 2023

[3] OECD (www.oecd.org)

[4] Ministry of Labor and Social Protection of Romania (www.mmuncii.ro)

[5] eJobs Romania Survey, June 2022

[6] Romanian Ministry of Labor Report, 2023

[7] Eurostat (ec.europa.eu/eurostat)

NON-EMPLOYEE WORKERS

2-8

The situation of non-employee workers within the Tosto Group during the 2021-2023 period presents interesting dynamics, highlighting significant differences between operations in Italy and Romania.

In Italy, in 2023, the group's companies adopted various forms of flexible contracts to effectively respond to the temporary and specific needs of different sectors. **Collaborazioni Coordinate e Continuate (Co.Co.Co.)** played an important role, with seven male professionals employed in key projects for Walter Tosto, Belleli Energy CPE, and Seastock. These collaborators were strategically placed across different areas: three in production, one in non-destructive testing, one in R&D, one in the nuclear sector, and one in the canteen department. This approach allowed the companies to acquire targeted expertise while maintaining a flexible organizational structure.

Additionally, **Walter Tosto S.p.A.** and **Belleli Energy CPE S.r.l.** made use of temporary agency contracts, engaging 38 resources. This solution enabled the agile integration of diverse professional figures. Among these, five women were employed in specific roles: one in the quality office, one in the technical office, and three in the company's nursery. As for the men, ten were assigned to technical and managerial roles, while the remaining were employed in production, strengthening the company's operational capacity.

In contrast, the situation in Romania presents a different reality. **Walter Tosto WTB** does not employ non-employee workers, reflecting the specific characteristics of the local labor market. However, the company maintains four continuous consultancy agreements in key areas such as accounting, management and personnel recruitment, and occupational medicine. These consultants operate on variable schedules, with one being almost constantly present in the commercial department.

This difference in employment practices between Italy and Romania highlights the Tosto Group's flexible and adaptive approach to the various labor realities in the countries where it operates, effectively balancing operational needs with the specific characteristics of local labor markets.



Walter Tosto plays a proactive role in research and innovation initiatives in the syngas and hydrogen sectors, guiding the process from pilot scale to industrialization.

Collaborations have been established with several steel mills and forging companies to identify the optimal quality of specific materials intended for large-volume gaseous hydrogen storage at high and ultra-high pressures. In synergy with Belleli Energy CPE, Walter Tosto is carrying out mechanical testing in accordance with international standards for the qualification of certain metals.

In 2023, **Belleli Energy CPE** conducted research on the feasibility of cold rolling thick steel plates, achieving positive results that will allow the avoidance of preheating furnaces for the plates, thus reducing gas consumption and related environmental emissions.

In line with the group's ownership guidelines for close collaboration with licensees, Belleli Energy CPE supported a major fertilizer production process holder in the development (design, feasibility study, and prototype creation) of a new pressure vessel that will enable greater efficiency and significant energy savings.

WTS Gas has initiated significant research and innovation projects to enhance its competitiveness and sustainability. The company has developed an innovative remote monitoring system for LPG tanks, allowing for secure and reliable reading and transmission of gas levels. This system integrates with the company's logistics platform to optimize refueling and fleet management. Concurrently, WTS GAS has embarked on a process optimization project for supply and logistics, implementing new loading bases to establish a more extensive territorial presence, improving transportation efficiency, and reducing CO₂ emissions. These efforts aim to boost

operational efficiency, reduce costs, and minimize environmental impact, thus strengthening the company's position in the competitive LPG market.

These initiatives not only improve the company's processes and products but also foster a "cultural environment" conducive to change. The interaction between the R&D department and other company functions helps mitigate risks associated with introducing new technologies or processes. Additionally, existing company resources and skills are leveraged, contributing to a climate of continuous innovation. This approach to R&D and innovation ensures that the Tosto Group remains at the forefront of its industry, capable of addressing emerging challenges and seizing new opportunities.

INTELLECTUAL PROPERTY

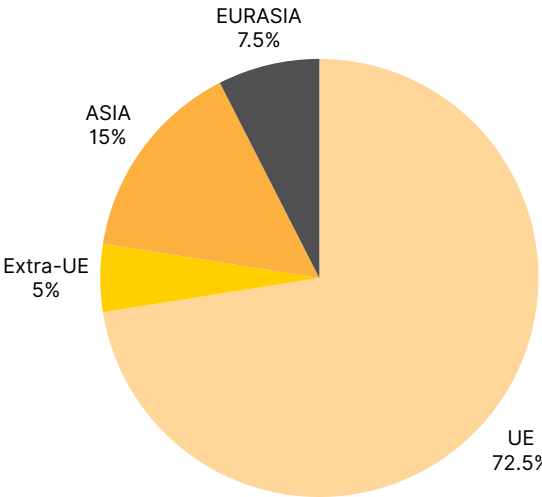
3-3 205-1

The Research and Development activities of Walter Tosto S.p.A. and Belleli Energy CPE S.r.l. are reflected in a steady increase in patent applications in the countries where the companies operate. The Group's overall intellectual property (IP) portfolio comprises 44 applications distributed across 17 countries worldwide, highlighting the company's commitment to innovation and the protection of its inventions on a global scale. The geographic distribution of these patents can be divided into the areas illustrated in the adjacent chart.

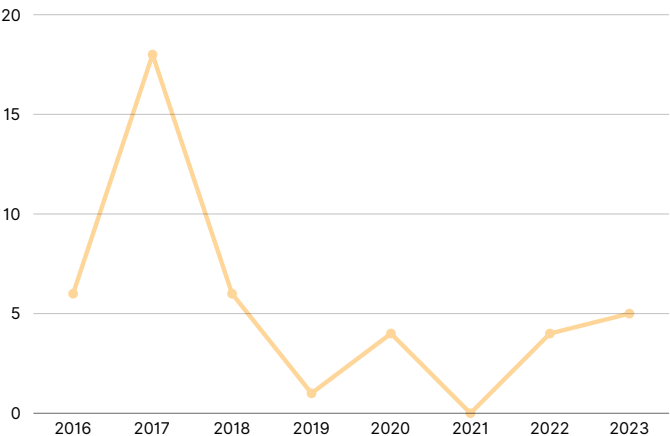
Moreover, the Group utilizes international protection tools such as the European Patent Office (EPO) and the Patent Cooperation Treaty (PCT), which facilitate the safeguarding of inventions on a multinational level. The line graph illustrating the trend of patent applications from 2016 to 2023 clearly demonstrates the dynamism of the Tosto Group's innovative activities.

As of 2023, the Tosto Group boasts a portfolio of 44 patent applications, with 37 attributed to Walter Tosto S.p.A. and 7 to Belleli Energy CPE S.r.l. This trend underscores the Group's ongoing commitment to innovation and intellectual property protection, which are key elements in maintaining technological leadership in the industry and supporting long-term growth.

IP Rights by geographic area - 2023 (%)



Patent applications 2016-2023 (no.)





OPEN INNOVATION

2-28

The Tosto Group fully embraces the concept of innovation not only as technological advancement but as a true cultural shift that redefines how it interacts with the world. Following the vision of Joseph Schumpeter, who saw innovation as the core of economic development, the Group positions itself as a catalyst for a "swarm" of innovative initiatives in its sector.

The Tosto Group has adopted an Open Innovation approach, recognizing it as a key strategy for creating highly innovative projects.

Walter Tosto's Open Innovation approach is realized through strategic collaborations aimed at technological innovation and sustainability. By participating in consortia such as CALEF, the company develops new welding technologies and advanced materials. International collaborations in the hydrogen sector focus on solutions for decarbonization. Specialized working groups contribute to defining industrial standards and developing hydrogen technologies.

Partnerships with research institutes provide access to specialized expertise, while support for AIDIC influences industry policies.

Collaboration with scientific parks enhances testing and analysis processes. This network of partnerships enables Walter Tosto to lead innovation in the energy and industrial sectors, with a focus on sustainability and technological excellence.



Science Parks

Participation in consortia

International collaborations



Support for sector initiatives

Participation in specialized working groups

Collaborations with research institutes



INTERNATIONAL PARTNERSHIPS

2-28

18 VILLAGES

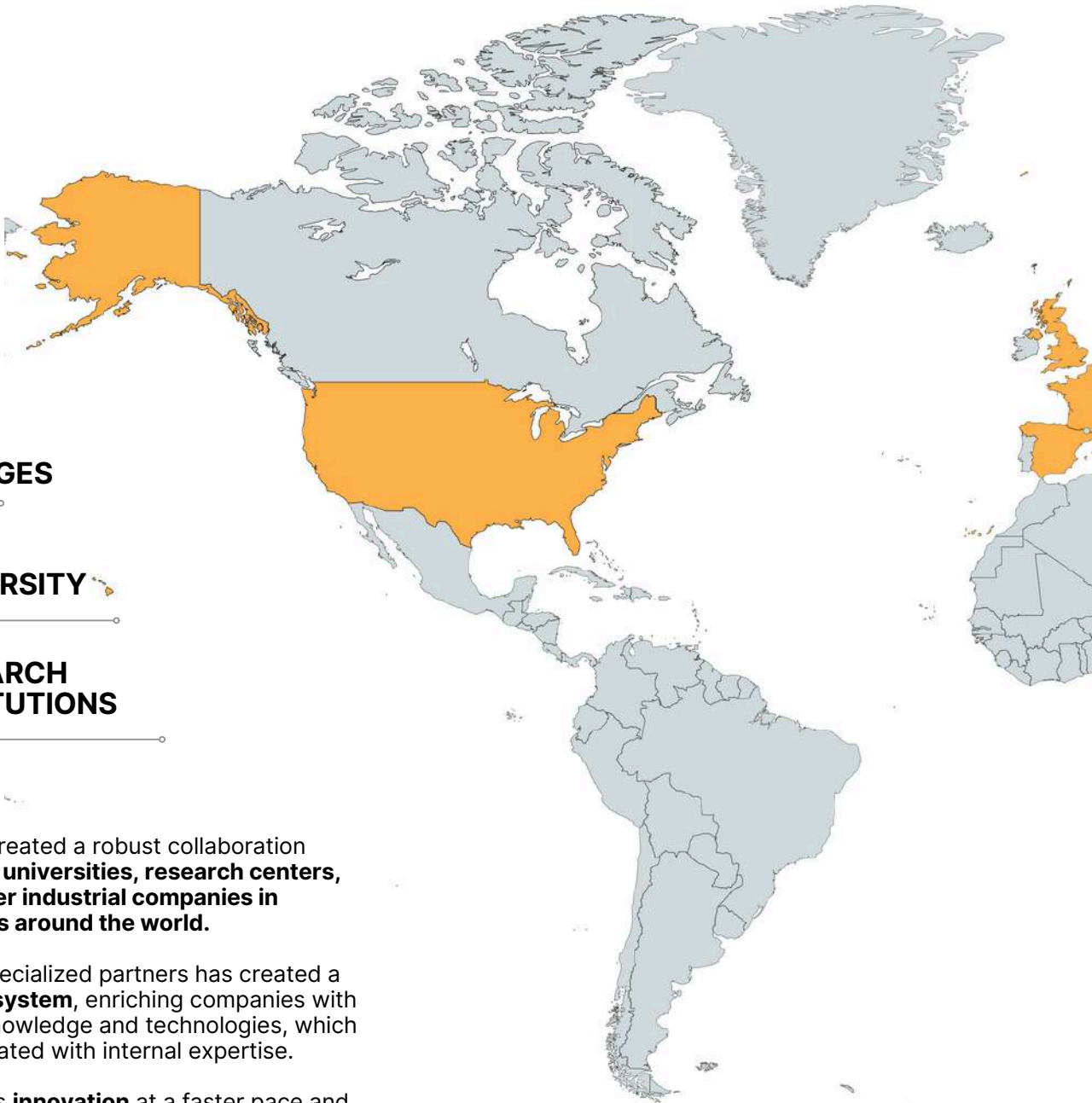
25 UNIVERSITY

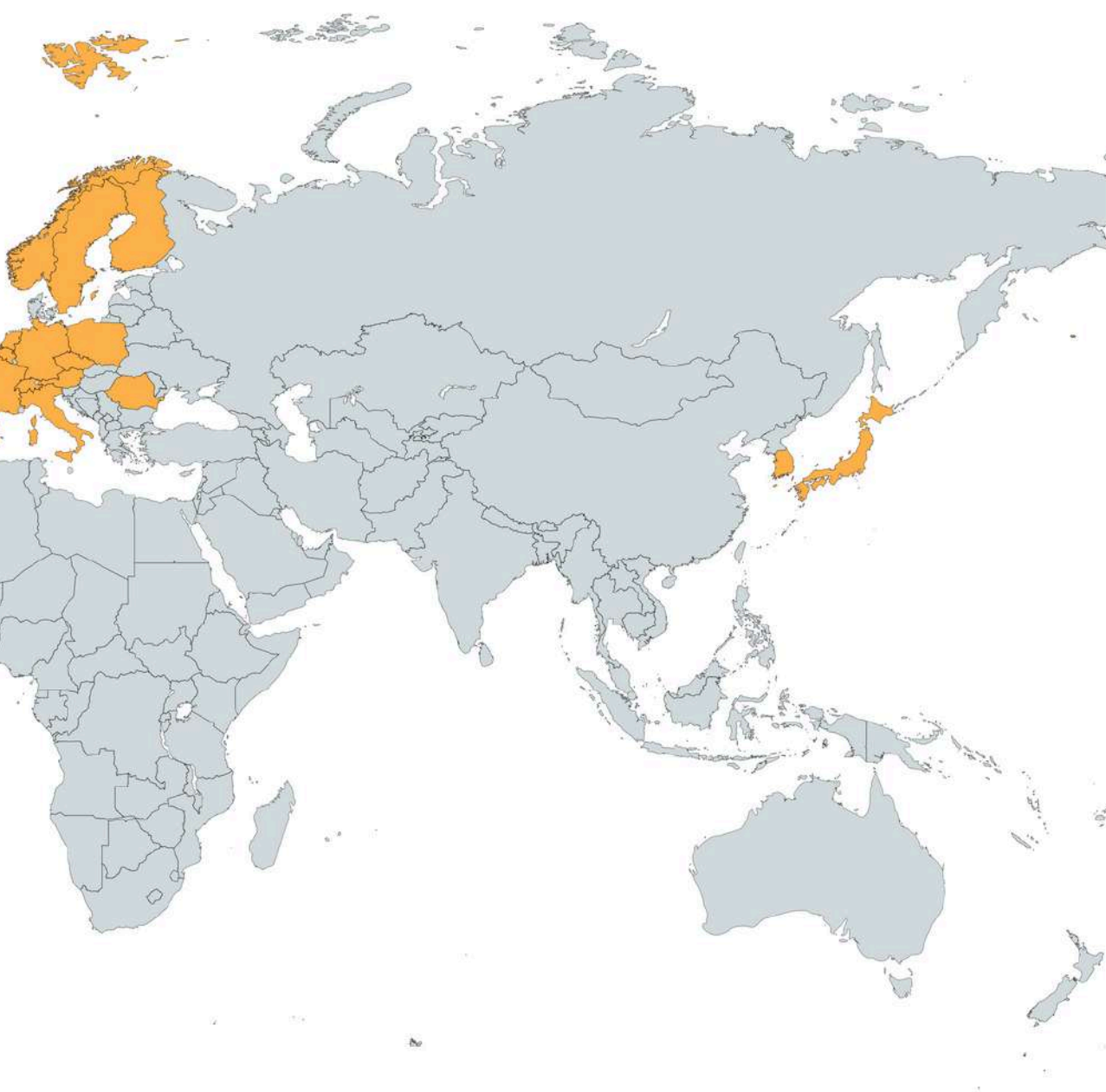
21 RESEARCH INSTITUTIONS

Tosto Group has created a robust collaboration network, including **universities, research centers, start-ups and other industrial companies in eighteen countries around the world.**

This network of specialized partners has created a **collaborative ecosystem**, enriching companies with advanced skills, knowledge and technologies, which are expertly integrated with internal expertise.

Synergy generates **innovation** at a faster pace and on a larger scale than would be possible alone.





ACCESS TO INCENTIVES AND FINANCING SUBSIDIZED FOR R&D

3-3

201-4

Walter Tosto, Belleli Energy CPE and WTS GAS benefit from the tax credit intended for companies that invest in research and development activities.

Walter Tosto, in particular, stands out for its ability to successfully promote funding applications for its research activities, demonstrating the high quality of its commitment in this field. These projects not only support corporate innovation, but also play a crucial role in consolidating relationships with strategic partners and suppliers. Such collaborations are essential to identify and develop cutting-edge technologies in the sectors of greatest interest to the company.

As of 2023, Walter Tosto has several publicly funded R&D projects underway, illustrated in the adjacent column.

Such initiatives not only help improve the company's processes and products, but also help create a "cultural environment" that is conducive to change.

The interaction between the R&D department and other corporate functions helps reduce the risks associated with the introduction of new technologies or processes. Existing corporate resources and skills are also leveraged, helping to create a climate of continuous innovation. This approach to R&D and innovation ensures that the Tosto Group remains at the forefront of its sector, capable of responding to emerging challenges and exploiting new opportunities.



Blaze - Biomass Low cost Advanced Zero Emission small-to-medium scale integrated gasifier-fuel cell combined heat and power plant

Programme: HORIZON 2020

Objective: Develop zero-emission CHP technology for small and medium scale

Duration: 2019-2023



SisAl Slag Valorization

Programme: Horizon Europe

Objective: Realise a prototype for the recovery of silicon and aluminium

Duration: 2021-2023



Workshop Overseas Learn Fabrication

Fondo per la crescita sostenibile

Objective: Develop a travelling and modular overseas workshop

Duration: 2020-2023



Electrically heated catalytic reforming reactors

Programme: HORIZON EUROPE

Objective: Develop innovative catalytic reactors for the conversion of biogas into syngas

Duration: 2022-2025



S.I.H.L.V.A.N. - Sulfur-Iodine Hydrogen Loop with Variable Amount and No-emission

Fondo per la Crescita Sostenibile

Objective: Realize a new hydrogen production process through hydrolysis

Duration: 2022-2025



TOWARDS A SUSTAINABLE AND DIGITAL FUTURE

In 2023, the Tosto Group made significant strides in its journey towards Innovability, demonstrating how innovation and sustainability can converge to create business and social value. At the heart of this transformation is **Quote**, a budgeting software that has revolutionized the way the company interacts with its clients. This tool not only automated the entire quotation generation cycle but also enabled greater accuracy and speed in decision-making processes. The update of 80% of Quote's source code resulted in a substantial improvement in performance, showcasing the company's commitment to continuous improvement. A particularly innovative aspect was the implementation of multi-company features in Quote, allowing for enhanced collaboration and data sharing among Walter Tosto, Belleli Energy CPE, and Walter Tosto WTB. This integration has opened new possibilities for synergies and operational efficiency within the group.

Environmental sustainability has been a focal point with the development of an innovative web app for monitoring energy consumption. This tool has enabled the company to quickly identify and address energy inefficiencies, contributing to a reduction in its overall carbon footprint. Meanwhile, the dematerialization of company archives marked an important step towards reducing paper consumption.

Walter Tosto has recognized that innovation must also extend to employee well-being. The introduction of a mobile app for managing leave requests, canteen reservations, and company communications has significantly improved the daily experience of its workers. This, along with the update of time tracking systems and the implementation of meeting room booking systems, has created a more seamless and

connected work environment. Operational efficiency and communication have seen substantial improvements with the development of **Reference List**, a web app that has transformed the management of company references. This tool has enabled Walter Tosto to present its portfolio more effectively, improving communication with clients and strengthening the company's market position.

Another innovative project currently in development involves the management of contractor companies. Walter Tosto is working on creating a platform that will unify all necessary documentation for collaborations with these companies. This digital tool promises to streamline the authorization process and improve integration between the purchasing, administration, and safety departments, leading to more efficient and transparent management of relationships with external partners.

WTS GAS, an integral part of the group, has stood out for its innovative approach since 2014, being a pioneer in utilizing digital and social channels for marketing campaigns. The company has placed particular emphasis on engaging customers in the digitalization process, promoting the use of digital invoices and offering a comprehensive and functional online Customer Area. A particularly significant innovation from WTS GAS was the introduction, in 2022, of drafting and signing contracts in digital format with **graphometric signatures**. This shift has almost completely eliminated the use of paper contracts, enhancing operational efficiency and reducing environmental impact.

The digitalization at WTS GAS also extends to logistics, with the geolocation of tank trucks and an advanced mapping service, allowing for optimized refueling and reduced fuel consumption. In 2023, the advanced remote monitoring system for LPG tanks

was further enhanced: customers are now proactively informed when their tanks are running low, thanks to remote readers. In the absence of remote readers or in case of communication failure, an innovative algorithm analyzes historical consumption data to predict potential reserves. These alerts are sent to customers via SMS and email, ensuring timely and personalized service.

In addition to its technical and operational innovations, Walter Tosto is also promoting a culture based on integrity, transparency, and accountability.

In line with Legislative Decree 231/2001, the company has developed a cutting-edge **whistleblowing system**. This innovative system will allow employees and collaborators to report any illegal or unethical behavior securely and confidentially. The Tosto Group's whistleblowing system stands out for its advanced technological features. The dedicated digital channels not only ensure the protection of the whistleblower's identity and safeguard against retaliation but also offer the option to submit audio reports with voice-masking features, providing an enhanced level of anonymity. The compartmentalized management of reports by designated company representatives adds an additional layer of security and confidentiality to the process.

Looking ahead, the Walter Tosto Group remains committed not only to technological innovation but also to the continuous improvement of its governance processes and the promotion of a corporate culture rooted in integrity and responsibility. These combined efforts reaffirm the Group's role as a leader in sustainable innovation within the industry, creating value not only for the company but for all its stakeholders and society as a whole.



Financial **stability** and international orientation

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For the companies within the Tosto Group—Walter Tosto S.p.A., Walter Tosto WTB S.r.l., Belleli Energy CPE S.r.l., WTS GAS S.p.A., and Seastock S.r.l.—the integration of economic decisions with social and environmental considerations is fundamental for long-term value creation. Economic value is recognized as essential for the Group's long-term sustainability. These companies place great emphasis on the value creation process and provide transparent, timely, and detailed communication in their respective **Management Reports**, which can be referenced for further details. This approach demonstrates their commitment not only to economic success but also to social and environmental responsibility.

In line with this philosophy, in 2023, the Tosto Group demonstrated remarkable resilience and growth capacity in a challenging economic environment. The financial results reflect this commitment, with a significant increase in revenues of more than one-third compared to the previous year, driven by strong operational performance. This growth extended to production value and EBITDA, both showing double-digit increases. The improvement in net income, with an increase of nearly 40%, underscores the effectiveness of the company's strategies in generating sustainable profits.

The Group's total capitalization continued its positive trend, highlighting market confidence in the company's long-term prospects. Despite an increase in debt, likely linked to strategic investments, net debt remained under control. A particularly encouraging sign was the return to positive **Free Operating Cash Flow**, indicating improved working capital management and renewed capacity to generate liquidity from core operations.

	2021*	2022*	2023*	2023 vs 2022
Revenues	167.663.934,00 €	160.434.486,38 €	214.885.029,06 €	+33,9%
Production value	207.614.561,00 €	228.844.832,38 €	257.782.569,65 €	+12,6%
Operating costs	128.670.554,93 €	119.685.240,98 €	158.036.830,55 €	+32,0%
EBITDA	23.206.907,42 €	24.202.798,59 €	31.947.243,44 €	+32,0%
Net result	5.181.601,00 €	4.308.487,85 €	5.943.516,69 €	+37,9%
Total capitalization	280.994.364,13 €	322.888.186,25 €	363.320.649,67 €	+12,5%
Net Worth	126.812.790,00 €	128.702.695,81 €	134.533.954,21 €	+4,5%
Debts	150.476.952,00 €	146.209.555,00 €	238.674.068,00 €	+63,2%
Net debt	39.285.584,01 €	35.767.357,81 €	36.501.381,00 €	+2,1%
FOCF (Free Operating Cash Flow)	24.374.464,00 €	19.398.363,81 €	2.151.188,44 €	-111,1%
Total assets	523.400.245,00 €	572.273.847,45 €	724.261.969,02 €	+26,6%

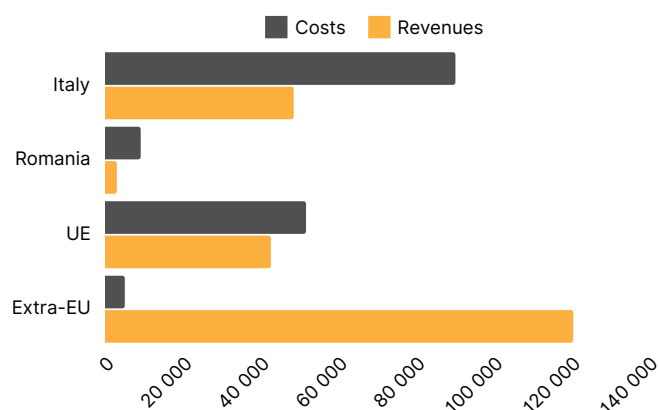
* Euro / Ron exchange rate applied:				
Balance Sheet			Profit and Loss Account	
31-dic-21	4,9490		2021	4,92150
31-dic-22	4,9495		2022	4,93130
31-dic-23	4,9756		2023	4,9467

By analyzing the geographic data relating to costs and revenues, the fundamental role of exports for the companies of the Tosto Group clearly emerges. This international dimension not only highlights the competitiveness of the Group on global markets, but also underlines its ability to create value beyond national borders.

The data shows significant geographic diversification in both costs and revenues. While Italy remains an important base for operations, with most costs incurred locally, it is in international markets that the Group generates the majority of its revenues. In particular:

Non-European Union countries represent the most relevant market in terms of revenues, generating over 56% of total turnover.

The European Union countries, excluding Italy, constitute the second most important market, contributing approximately 20% of total revenues. Italy, although representing a smaller share of revenues (about 23%), remains crucial as an operating base, as demonstrated by the concentration of costs. Romania, home to one of the Group's companies, plays a strategic role, contributing to both costs and revenues, although to a lesser extent than other markets.



The ability to generate the majority of revenues from international markets, while maintaining a significant cost base in Italy, underlines the Group's operational efficiency and its ability to compete globally, while contributing to the local and national economy.

ESG KPI Linked Loan Financing: A Step Forward Towards Sustainability

In December 2023, Walter Tosto S.p.A. took a significant step forward in its sustainability journey, obtaining an ESG KPI Linked Loan of €8 million from Crédit Agricole Italia. This financing will support the production of hydrogen by hydrolysis with zero CO2 emissions, integrating innovative technologies for energy optimization and waste reduction. The funding is tied to the achievement of specific sustainability goals, including reducing greenhouse gas emissions intensity (Scope 1 and 2) and reducing workplace injuries. These commitments reflect the company's dedication to sustainable innovation and social responsibility.

Tax Compliance and Transparency

2-23 2-24

The Tosto Group demonstrates a continuous commitment to maintaining the highest standards of tax compliance and responsibility, as evidenced by the practices of its companies in Romania and Italy.

In Romania, **Walter Tosto WTB** has been included in the list of major taxpayers managed by the General Directorate of Administration of Large Taxpayers, effective from January 1, 2022. This designation is in line with **ORDIN Nr. 83/2022** of January 26, 2022, which outlines the criteria and procedures related to the management of large taxpayers. The recognition, based on the criteria established by **O.P.A.N.A.F. orders nr. 1721** of October 29, 2021, and nr. 83 of January 26, 2022, is a tangible sign of the company's commitment to ethical and transparent tax practices.

Similarly, in Italy, **Walter Tosto** continued in 2023 its reciprocal collaboration with tax authorities, adhering to the highest levels of transparency. The company falls under the tutorship activity stipulated by **art. 27 of D.L. 185/2008**, converted with amendments by **art. 1 of Law n. 2/2009**, applicable to taxpayers with a turnover, revenues, or fees of not less than 100 million Euros. In this context, Walter Tosto S.p.A. has consistently provided prompt and comprehensive responses to requests for documentation from tax authorities.

The inclusion of both companies among the large taxpayers in their respective countries underscores the Group's emphasis on tax compliance, not only as a legal obligation but as an integral part of its sustainability strategy. The Group recognizes the significant impact its tax contributions have on societal well-being and remains dedicated to ensuring that its practices reflect the values of integrity and responsibility in all the countries in which it operates.

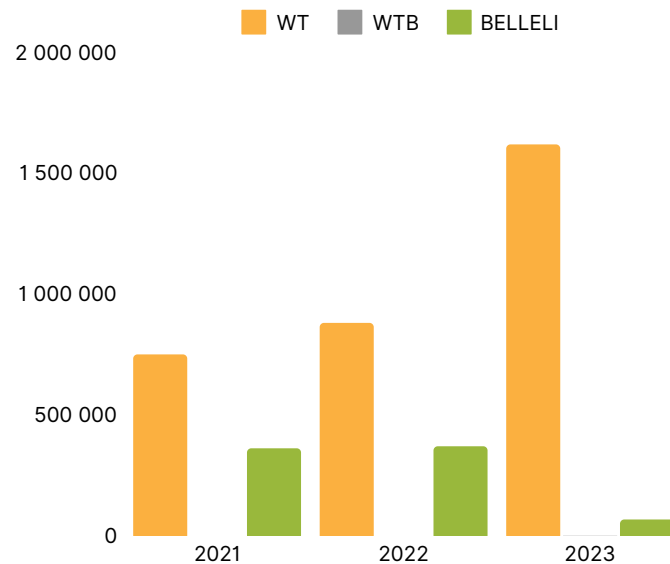
Public Contributions and Tax Incentives

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In 2023, the Tosto Group benefited from public contributions and tax incentives totaling **€3,140,768.02**, demonstrating significant capacity in accessing public funds and incentives for innovation and sustainable development.

Walter Tosto S.p.A. recorded a notable increase in contributions received, rising from **€748,724.72** in 2021 to **€1,618,072.34** in 2023. These include substantial non-repayable contributions for R&D and exports. The company's tax incentives were also significant, amounting to **€2,771,678.75** in 2021, though a decrease was observed to **€1,134,241.66** in 2023. Among the most relevant tax credits were those for **Research & Development**, as well as **super and hyper depreciation** incentives.

Public Contributions by Company 2021-2023 (€)



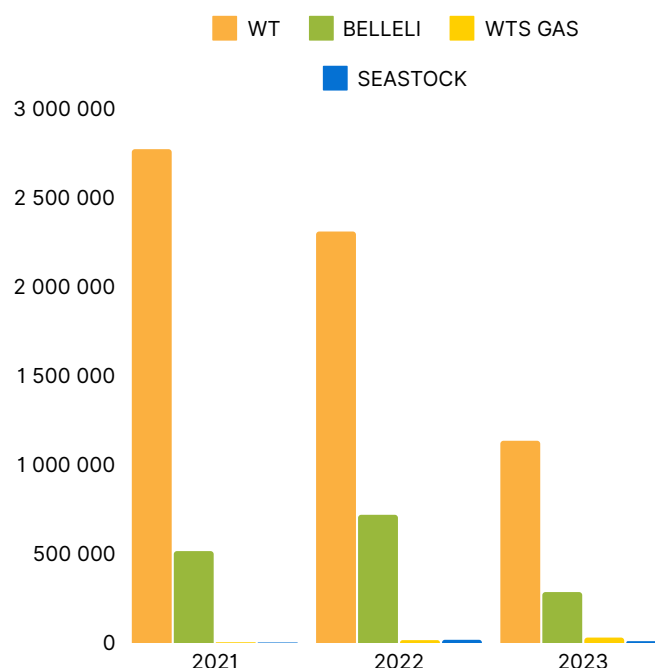
Belleli Energy CPE S.r.l. demonstrated a variable performance, with contributions peaking at **€368,438.29** in 2022, primarily due to R&D and export-related grants. Tax incentives followed a similar trend, reaching a high of **€718,514.62** in 2022. Tax credits were focused on R&D, with significant amounts each year (e.g., **€103,893.83** in 2022), and energy-related bonuses, particularly noteworthy in 2022 (**€597,467.98**).

WTS GAS S.p.A., while not receiving direct contributions, benefited from increasing tax incentives, rising from **€2,833.64** in 2021 to **€29,070.00** projected for 2023, mainly in the form of tax credits for R&D and super depreciation.

Similarly, **Seastock S.r.l.** did not receive direct contributions but enjoyed increasing tax incentives, from **€1,623.00** in 2021 to **€16,565.51** in 2022, with a particular focus on energy credits.

Finally, **Walter Tosto WTB S.r.l.** benefited from a subsidy of **2,375 RON** for an electric car in 2023.

Tax Incentives by Company 2021-2023 (€)



Value creation and distribution

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The Values and Ethical Codes of the Tosto Group continue to establish the commitment of the Companies to operate to ensure long-term responsible development. This commitment is based on the awareness of the links and interactions existing between the economic, social and environmental dimensions, aiming to combine value creation, social progress, attention to Stakeholders, raising living standards and environmental quality.

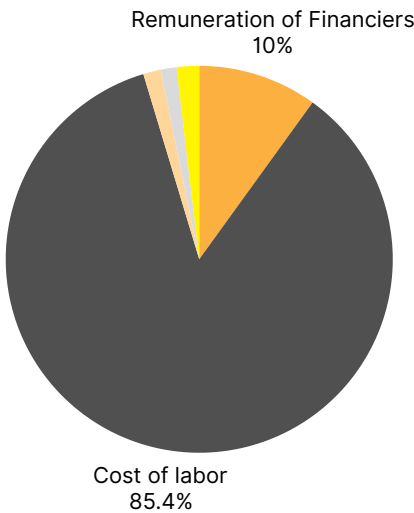
Added Value represents the wealth produced by the Tosto Group which, in various forms, is distributed to the various stakeholders, thus expressing in monetary terms the relationships existing between companies and the main stakeholders.

The Net Added Value generated by the Tosto Group in 2023 amounts to a total of 66,568,297 euros, equal to 29.5% of the economic value generated, marking a significant increase compared to previous years.

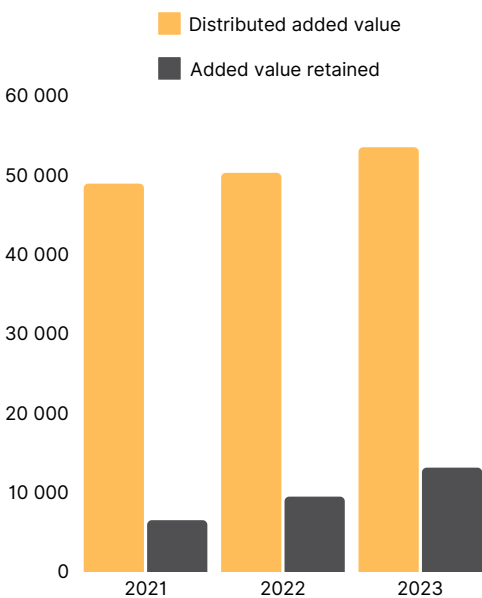
The majority of the distributed added value is represented by the remuneration of human resources, followed by the remuneration of financiers.

The economic value retained by the Group in 2023 is equal to 13,074,083 euros, a significant increase compared to previous years, which indicates a greater reinvestment in the company's activities to support future growth.

Added value composition - 2023



The added value - 2023 (k€)



	2021	2022	2023	2023/2022
Net revenue	167.663.934 €	160.434.486 €	214.885.029 €	33,9%
Financial income	185.457 €	508.972 €	1.322.064 €	159,8%
Miscellaneous income	16.030.051 €	13.990.101 €	9.175.534 €	-34,4%
Economic value generated	183.879.442 €	174.933.559 €	225.382.627 €	28,8%
Operating costs	112.658.433 €	96.937.973 €	140.203.410 €	44,6%
Depreciation, write-downs and other provisions	15.871.021 €	18.310.235 €	18.610.920 €	1,6%
Net Added Value	55.349.988 €	59.685.351 €	66.568.297 €	11,5%
Cost of labor	42.609.070 €	44.557.222 €	45.670.193 €	2,5%
Remuneration of Financiers	516.724 €	945.899 €	5.328.080 €	463,3%
Shareholder Remuneration	3.460.000 €	2.800.000 €	1.000.000 €	-64,3%
Remuneration of the Public Administration	2.077.699 €	1.426.178 €	784.324 €	-45,0%
External donations and gifts	240.953 €	538.303 €	460.988 €	-14,4%
Distributed added value	48.904.446 €	50.267.601 €	53.243.585 €	5,9%
Added value retained	6.445.542 €	9.417.749 €	13.324.713 €	41,5%

Community support

2-23 2-24 3-3 413-1

Throughout 2023, the Tosto Group reaffirmed its strong connection with the local community, a key element of its success, by allocating significant resources to support various cultural, healthcare, sports, educational, and social solidarity initiatives. The aim was to promote the well-being and development of the community, with investments spread across a broad spectrum of activities, reflecting the Group's commitment to sustainable and inclusive growth.

In the **Cultural** category, the Group sponsored major events and theatrical projects, including the **Dannunziano Festival**, the theatrical production of **Teatro del Krak**, the **Orchestra da Camera di Mantova**, and various other cultural events.

In terms of **Healthcare**, funds were allocated to organizations such as the **Red Cross** and **Telethon Foundation**, supporting vital healthcare services and research for the community.

In the **Sports** sector, the Group focused its support on the **Asd Pure Club** sports association and the **FOTBAL CLUB FCSB S.A.**, promoting physical activity and sportsmanship.

In the area of **Social Solidarity**, aid was provided to various organizations such as the **Direcția Generală De Asistență Socială Și Protecția Copilului Calarasi** and several charitable programs, contributing to the improvement of quality of life for the most vulnerable people.

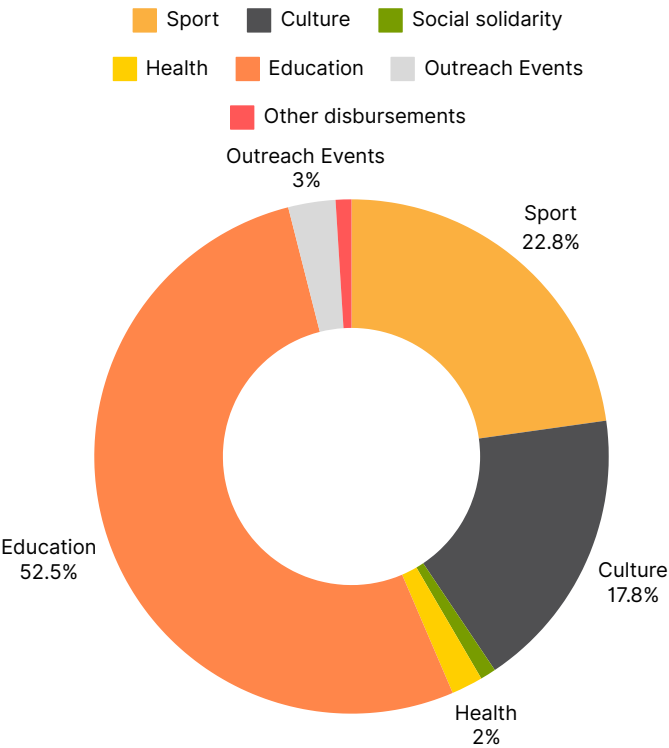
Regarding **Education**, the Group demonstrated a strong commitment to the education and training of future generations. Notably, **Belleli Energy CPE** made a significant investment of over **€250,000** for the creation of a new welding laboratory at the **Bonomi Mazzolari Institute** in Mantua.

This laboratory, equipped with 30 state-of-the-art workstations, will allow approximately 80 students to

acquire essential practical skills in the field of welding. Additionally, a scholarship was co-financed, further strengthening the Group's commitment to supporting technical and vocational education.

Lastly, through **Dissemination Events**, the Group supported conferences and forums, including **AIPE conferences** and the **Energy Forum** in Bucharest, aimed at promoting knowledge sharing and the exchange of innovative ideas.

In total, the Group invested approximately **€500,000** in 2023, reaffirming its role as a responsible and supportive partner within the community.





planet

The Global Challenge of Climate Change
Environmental Management
Energy Consumption and Renewable Energy Sources
Fighting climate change
Integrated Approach to the Circular Economy
Protection of the biodiversity
Water Management

The global challenge of climate change

'The challenge of climate change is of fundamental importance and is recognized as one of the most pressing issues globally. **The Sixth Assessment Report on Climate Change (AR6)** provides a critical synthesis of current knowledge on how climate change, caused by human activities, is altering our planet and what measures can be taken to counter this crisis. This report brings together the findings of three special reports (Global Warming of 1.5°C 2018, Climate Change and Land 2019, Ocean and Cryosphere in a Changing Climate 2019) and contributions from three working groups of the IPCC Sixth Assessment Report: The Physical Science Basis 2021, Impacts, Adaptation and Vulnerability 2022 and Mitigation of Climate Change 2022.

This synthesis represents five years of interdisciplinary studies and analyses on our planet's climate, with the aim of limiting global warming to 1.5°C, an unprecedented challenge identified by the IPCC in 2018. However, the authors of the new report stress that this challenge has become even more difficult due to the continuous increase in greenhouse gas emissions. It is clear that current plans by world governments to address climate change are insufficient and that an urgent change of strategy is needed.

The **2030** and **2050** targets are crucial to this strategy. The 2015 **Paris Agreement**, supported by several IPCC reports, establishes that to limit the global temperature increase to 1.5°C, global emissions must be reduced by **45% by 2030** compared to 2010 levels and reach net **zero emissions by 2050**. The **European Union**, with the **European Green Deal**, aims to reduce emissions by **55% by 2030** compared to 1990 levels and achieve **climate neutrality by 2050**.

The signs of global warming are increasingly evident, with rising sea levels, depleted resources and the erosion of arable land. Extreme weather events such as droughts and fires can devastate crops, while floods and falling water levels can

disrupt transport systems and supply chains, resulting in high costs for businesses. Faced with this challenge, a wide range of stakeholders are calling on governments to take immediate, clear and decisive action to tackle the climate emergency, which is considered the priority of our time and the essential condition for all policies at both national and international levels.

The **Tosto Group** is strongly committed to **climate mitigation** actions, seeking to reduce **greenhouse gas emissions** from its industrial and service activities through the adoption of new sustainable methodologies and practices. Participation in the construction of the **nuclear fusion reactor** represents a project of great relevance and innovation in the energy sector. Nuclear fusion, in fact, is a promising source of energy that can overcome the limitations of traditional sources, contributing to the production of **clean and sustainable energy**. This pioneering project underlines the commitment to finding innovative solutions to address the challenge of energy scarcity and combat climate change.

In addition to the construction of the fusion reactor, the Tosto Group demonstrates a constant interest in its reference market and in the search for initiatives aimed at **energy efficiency**, **circular economy** and the reduction of **CO₂ emissions**. This commitment is manifested both through direct participation as stakeholders or investing partners in such initiatives, and through the analysis and identification of opportunities in this sector.

The Group also supports and promotes research projects in collaboration with research institutes and universities on issues related to **climate change**, helping to promote a **low-carbon economy**. **Innovation** plays a crucial role in this process, encouraging the development of more sustainable solutions and helping to mitigate the effects of climate change, as highlighted in the "Innovability" chapter.

Environmental Management

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For over two decades, **Walter Tosto S.p.A.** has aligned its production and operational processes with the standards of **UNI EN ISO 14001**. Since 2002, the company has obtained and maintained **Environmental Management System certification**, solidifying its presence in both national and international markets. The adherence to international certification standards goes beyond system quality, extending to product quality as well, demonstrating a tangible commitment to environmental excellence and the continuous improvement of business practices.

Similarly, the other companies within the Group have adopted **environmental policies** that reflect the Group's principles, ensuring the protection of the environment, the continuous improvement of environmental performance, and providing all environmental stakeholders with the highest guarantees in terms of efficiency, transparency in communications, and reliability in monitoring activities.

The environmental challenges faced by the Group are numerous and complex. At the heart of its strategies are the sustainable management of resources, the assumption of responsibility in production processes, and the pursuit of a balance between industrial growth and environmental conservation. Below is an examination of these challenges:

- **Land Use:** Optimize land use through careful planning that minimizes the environmental impact of industrial expansion. This includes managing spaces for production and storage operations, preserving green areas, and reducing the footprint of land consumption. Adopting practices that ensure the rehabilitation of disused industrial areas and the remediation of contaminated sites further reduces land consumption and promotes sustainable land resource management.
- **Waste Management:** Manage waste through reduction, recycling, and safe disposal practices, particularly for hazardous waste and special materials.
- **Water Resource Protection:** Optimize water usage, improve wastewater treatment, and prevent the contamination of local water resources through sustainable management practices.
- **Energy Efficiency:** Improve energy efficiency in industrial operations, reduce energy consumption, and adopt renewable energy sources where possible to reduce reliance on fossil fuels.
- **Emissions Management:** Reduce emissions from production processes, energy distribution, and material transportation. This includes controlling CO₂, CH₄, and other greenhouse gas emissions.
- **Biodiversity Impact and Safety:** The company must consider the impact of its operations on local biodiversity, protecting natural habitats and taking measures to minimize negative impacts on ecosystems. Ensuring safety in the management of LPG is also a priority to prevent accidents that could harm the surrounding environment.
- **Open and Constructive Dialogue with Local Communities:** Enhance transparency in industrial activities and engage in corporate social responsibility initiatives to mitigate environmental and social impacts.



Energy consumption and renewable Energy sources

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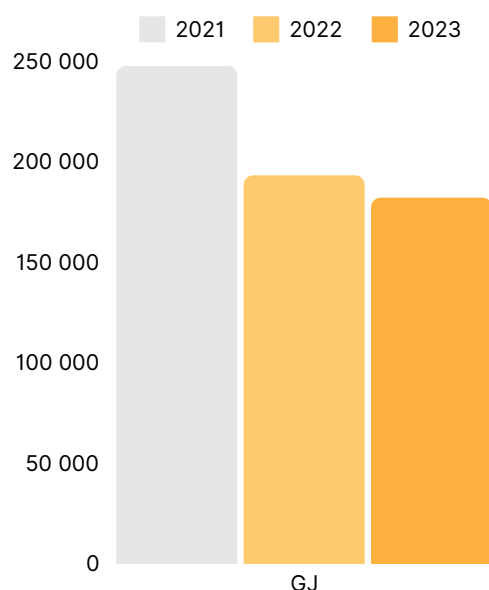
SDGs	UNGC PRINCIPLES	KPI	PERFORMANCE 2023
	 ENVIRONMENT	Electricity production from photovoltaic systems	983 MWh
		Green electricity consumption on total	11%
		Improving energy efficiency	5.7% energy reduction
 		Energy Intensity Ratio to Turnover (vs. 2022)	-29,17%

Walter Tosto S.p.A. and Belleli Energy CPE S.r.l., both part of the industrial group and classified as large **energy-intensive companies**, fall within the scope of **Legislative Decree 102/2014**. This regulation, which regulates the management of energy efficiency, requires companies with significant energy consumption to undergo periodic diagnoses and to implement measures aimed at energy efficiency.

The latest energy audits were conducted in 2023, highlighting the companies' ongoing commitment to improving energy efficiency practices. This process includes the adoption of advanced technologies and operational strategies aimed at reducing environmental impact and increasing the sustainability of their operations.

In 2023, the total energy consumption of Tosto Group companies was 181,964 GJ, showing a reduction of 5.7% compared to 2022, when it was 193,057 GJ.

Energy consumption 2021-2023 (GJ)



Type of energy source	Fuels	u.m.	2023	GJ
Fossil fuels	Petrol	l	11.553	371
	Diesel	l	534.021	19.382
	Natural gas	mc	2.120.732	79.706
	LPG	l	369.825	8.984
	Fuel oil	ton	370	9
Electricity and heat from non-renewable sources	Electricity	kWh	16.394.268	57.655
	District heating	MWh	2.575	9.269
Total energy consumption from non-renewable sources	175.376			
Self-produced electricity from renewable sources		kWh	1.770.056	6.372
Biofuels		l	6.031	216
Total energy consumption from renewable sources	6.588			

An analysis of energy consumption reveals a significant reduction in the use of traditional fossil fuels.

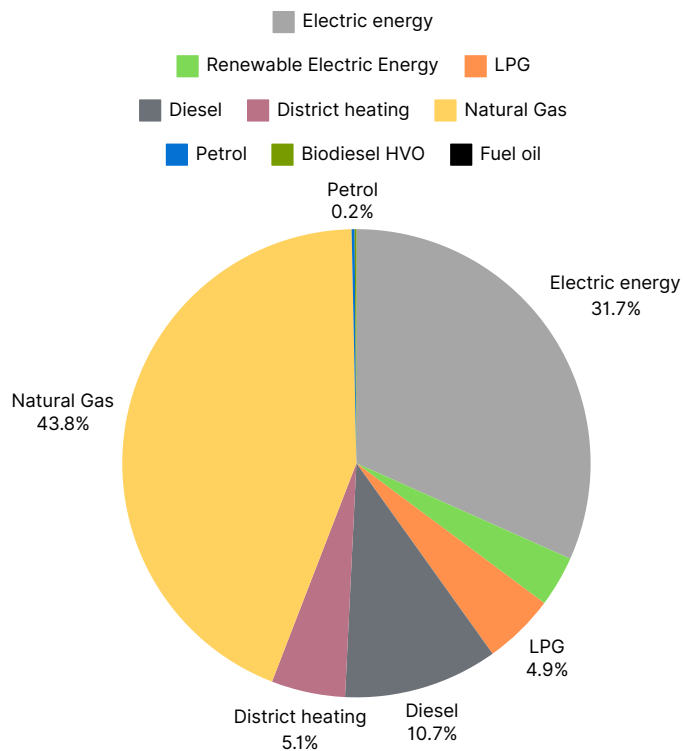
Natural gas, one of the primary energy sources for the Tosto Group, saw a substantial decrease from **118,630 GJ in 2021** to **79,706 GJ in 2023**. Similarly, **diesel**, predominantly used in production processes and transportation, decreased from **22,406 GJ** to **19,382 GJ**. **Gasoline** consumption also continuously declined, dropping from **562 GJ** in 2021 to **371 GJ in 2023**, indicating optimization of the vehicle fleet and improved transport efficiency.

Regarding **renewable and alternative energy**, there was an increase in the use of renewable electricity, rising from **5,368 GJ** in 2021 to **6,372 GJ in 2023**.

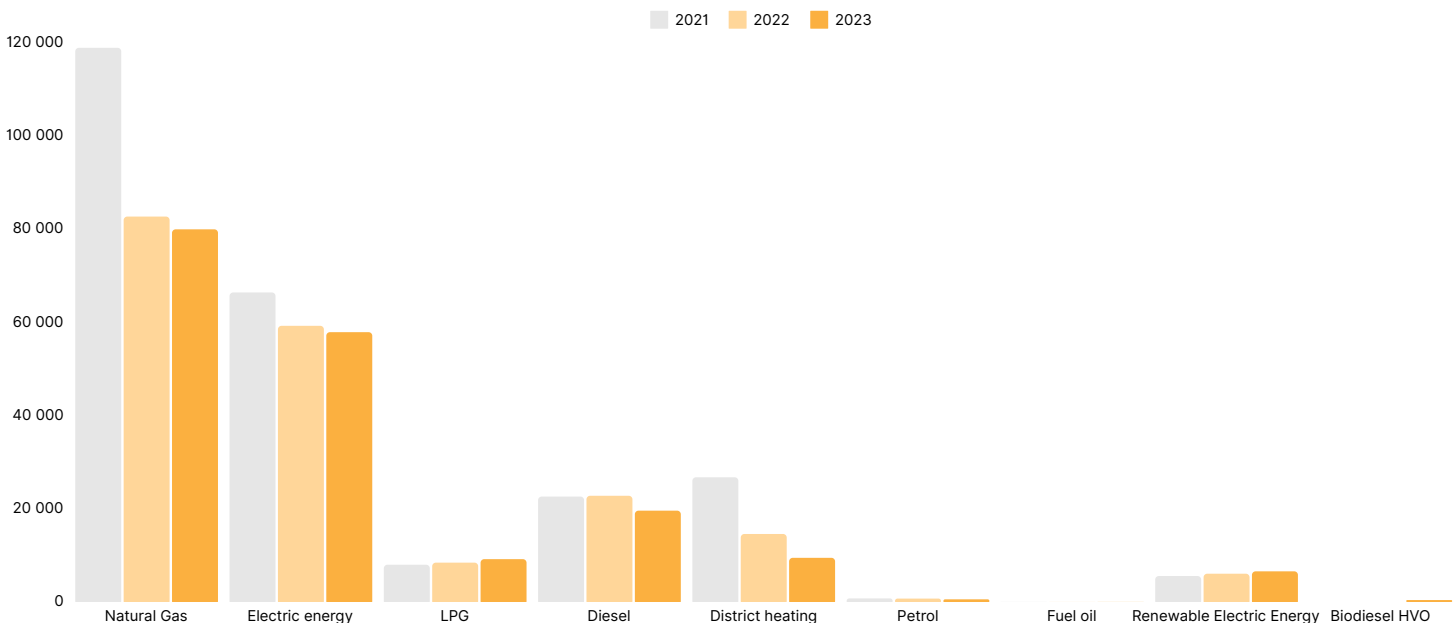
The year 2023 also marked the introduction of **HVO biodiesel**, a renewable biofuel, with a consumption of **216 GJ**. This represents a further step toward diversifying energy sources and integrating more eco-friendly fuels.

District heating consumption showed a drastic reduction, from **26,536 GJ in 2021** to **9,269 GJ in 2023**. This decrease can be attributed to more controlled and optimized use of the heating system.

Energy mix composition - 2023 (GJ)



Energy mix composition 2021-2023 (GJ)





CONSUMPTION EFFICIENCY

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302-4

The strategy to reduce energy consumption in 2023 focused on improving the efficiency of lighting at Walter Tosto's Chieti headquarters, by replacing traditional types and technologies with energy-efficient LED lighting.

The replacement operation involved:

- 75 x 250W lamps with another 150W;
- 329 x 400W lamps with another 138W.

Thanks to these replacements, total consumption went from a previous 150,350 W/h to a current 56,652 W/h, recording a net saving of 93,698 W/h.

In addition to replacing the lamps, meters were installed to monitor the consumption of the air conditioning system. A supervision system reads the data from four multimeters that detect the electrical consumption related to the air conditioning systems of the WT2 factories and offices. This system allows not only to monitor energy consumption in real time, but also to "manually adjust" the set temperatures if an increase in consumption is observed.

Thanks to this monitoring system, it is possible to identify energy waste that can lead to remodulating the air conditioning policies of the premises under control, further improving overall energy efficiency.

The maintenance processes are gradually implementing the improvement interventions envisaged in the Plan drawn up pursuant to Legislative Decree 102/14.



ENERGY PRODUCTION FROM RENEWABLE SOURCES

3-3

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As part of Walter Tosto S.p.A.'s efforts to reduce energy consumption related to its operations, in 2012 the company embarked on an energy efficiency path in two workshops (WT5 and WT7) by installing photovoltaic systems. In 2023, the number of systems remained unchanged, counting 2 units, with a total installed power of 1,900.184 kWp.

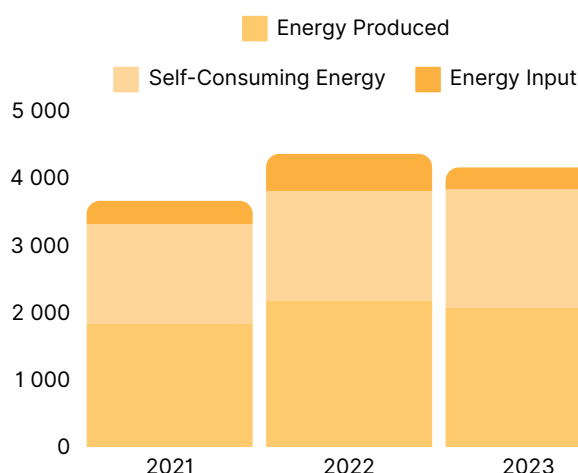
In 2022, the company saw a peak in solar production, reaching 2,177 MWh, a significant increase of 19.1% over the previous year. Although 2023 saw a slight decline, with production reaching 2,076 MWh, levels are still significantly higher than 2021.

Of particular note is the steady increase in self-consumed energy, which increased from 1,491 MWh in 2021 to 1,770 MWh in 2023. This positive trend demonstrates the company's growing ability to integrate solar energy into its daily operations, reducing its dependence on the traditional electricity grid. Self-consumption efficiency reached its peak in 2023, with 85.3% of the energy produced being used directly in the company's operations. This improvement reflects the company's ongoing efforts to optimize the use of renewable energy and minimize waste.

Walter Tosto's total electricity consumption has shown a steady decrease, from 9,449 MWh in 2021 to 8,437 MWh in 2023, with an overall reduction of 10.7% in two years. This trend reflects the company's efforts to implement energy efficiency measures and optimize production processes.

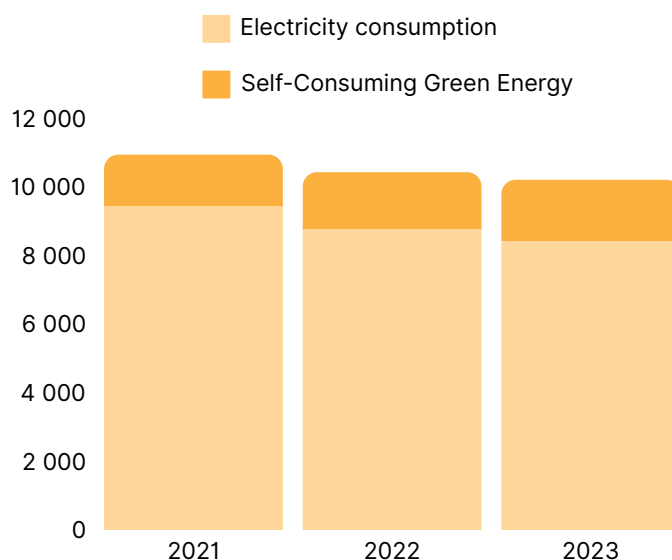
At the same time, self-consumed energy from the photovoltaic system has increased steadily, from 1,491 MWh in 2021 to 1,770 MWh in 2023. This increase has led to a significant increase in the percentage of green energy used by the company, from 16% in 2021 to 21% in 2023.

Energy from photovoltaic systems* (MWh)



*Chieti office

Energy consumption and renewable energy use (2021-2023) - WT (MWh)



ENERGY INTENSITY

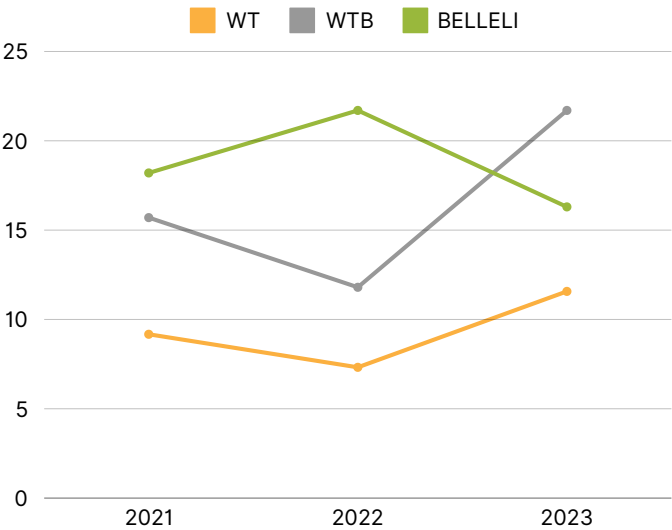
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Energy intensity for companies in the heavy boiler sector.

The heavy boiler sector, which includes the companies Walter Tosto S.p.A, Walter Tosto WTB s.r.l. and BELLELI Energy CPE S.r.l., is characterized by production on order. This production approach leads to significant variations in the annual production volume and, consequently, in energy intensity. The analyses and observations relating to the trend of energy intensity in the period 2021-2023 are presented below.

Energy intensity by company 2021-2023



WT, WTB, BELLELI	Unit	2021	2022	2023
Total net weight of products manufactured	t	17.324	15.670	11.290
Energy Intensity Ratio	GJ / t	13,7	11,6	15,3

Energy intensity for marketing and handling companies.

The continuous improvement in energy efficiency at WTS GAS indicates the success of the investment in technologies and practices that the company has undertaken over the past two years. The increase in the energy intensity ratio at Seastock highlights the challenges of maintaining operational efficiency despite decreasing volumes. However, it should be noted that Seastock, being the newest company, is still optimising its operational processes.

WTS GAS	Unit	2021	2022	2023
Liters of LPG sold	l	19.116.520	24.639.263	29.293.296
Energy Intensity Ratio	GJ / LPG l	0,0005	0,0004	0,0003

SEASTOCK	Unit	2021	2022	2023
Tons moved in output	t	310.505	207.769	167.837
Energy Intensity Ratio	GJ /t	0,006	0,009	0,010

Group energy intensity in relation to turnover

WT, WTB, BELLELI	Unit	2021	2022	2023
Revenue	k€	148.027,38	139.607,89	192.077,96
Energy Intensity Ratio	GJ / €k	1,6	1,3	0,9

WTS GAS	Unit	2021	2022	2023
Revenue	k€	14.713,75	18.599,86	20.400,97
Energy Intensity Ratio	GJ/ k€	0,6	0,5	0,4

SEASTOCK	Unit	2021	2022	2023
Revenue	k€	4.922,80	2.226,74	2.406,10
Energy Intensity Ratio	GJ / €k	0,4	0,8	0,7

Fighting climate change

Climate change is moving to the forefront of the global political agenda, pushing governments and businesses to step up efforts to reduce greenhouse gas emissions and adopt sustainable policies. In Europe, the commitment to sustainability is particularly evident through initiatives such as the European Green Deal, which aims to make the continent climate neutral by 2050. This commitment is profoundly shaping the industrial sector, pushing companies to change their strategies to align with sustainability goals.

The companies of the Tosto Group are actively responding to these challenges. The commitment of these companies is also reflected in the adoption of

advanced technologies and research into innovative ways to reduce the environmental impact of their operations. By supporting research projects in collaboration with universities and technology institutes, these companies are actively engaged in developing solutions that support the transition to a low-carbon economy.

This approach not only responds to growing market pressures and environmental regulations, but also represents a strategic investment in the sustainable future of the industry, demonstrating that innovation and sustainability can go hand in hand to create long-term value.

SDGs	UNGC PRINCIPLES	KPI	PERFORMANCE 2023
  	 ENVIRONMENT	Reduction of CO ₂ emissions (vs. 2022)	-11,4%
		Emission intensity ratio to turnover (vs. 2022)	-30%

CARBON FOOTPRINT

In the global context of increasing attention towards climate change and the reduction of greenhouse gas emissions, it is essential to continuously monitor and evaluate progress towards sustainability goals. Initiatives like the "MSCI Net-Zero Tracker" provide a valuable tool for understanding the current landscape of net-zero commitments and measuring the effectiveness of policies and actions taken at a global level. The latest MSCI analysis highlights that, despite progress, less than 10% of the world's large companies are on track to align with the Paris Agreement's goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

The Tosto Group is firmly committed to combating climate change by adopting advanced strategies and technologies to systematically reduce its carbon emissions. This chapter outlines the progress made and future plans to further minimize our carbon footprint, aligning not only with international standards but also with stakeholder expectations and market demands.

The first step towards the goal of reducing CO₂ emissions was realized through an accurate mapping of consumption: the companies established a data acquisition system for emissions reporting based on principles of **accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability**.

The **calculation of the carbon footprint** within the Group follows the ISO 14068:2018 standard, which offers a rigorous and standardized methodology for the assessment of greenhouse gas emissions. This standard is essential for providing a reliable and consistent framework that allows organizations to measure and manage their emissions, enhancing their ability to monitor environmental impact and implement targeted emission reduction strategies.

The standard requires the use of appropriate emission factors to calculate emissions: all Italian companies within the Group have used the emission factors

provided by ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale) to calculate their CO₂ emissions. **ISPRA's emission factors** are coefficients that convert human activities into equivalent CO₂ emissions. These factors are based on scientific studies and in-depth research to provide accurate estimates of CO₂ emissions associated with various sources, such as fossil fuel use, electricity, transportation, industry, and agriculture.

Walter Tosto WTB, operating in Romania, has adopted DEFRA (Department for Environment, Food and Rural Affairs) criteria to calculate its CO₂ emissions. DEFRA plays a central role in regulating and managing environmental issues in the United Kingdom, including policies on climate change, water resource management, and biodiversity. By providing guidelines and standards for calculating greenhouse gas emissions, DEFRA ensures that emission measurements are accurate and consistent, in compliance with international standards.



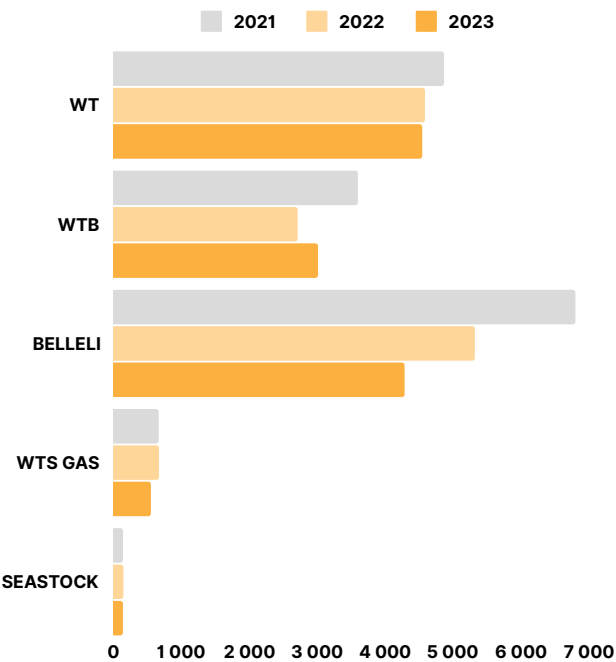
Scope		Fuel	2021 t CO ₂ eq	2022 t CO ₂ eq	2023 t CO ₂ eq
Scope 1	Stationary Source Fuel Combustion	Natural gas used in production processes (combustion in annealing and stress relieving furnaces)	6.278,46	4.336,93	4.174,33
		Natural Gas (Heating)	135,07	116,80	107,91
		LPG used in heat treatments, preheating, mobile operating machines	513,11	533,54	582,95
		Fuel oil	1,13	0,89	1,16
		Heating oil	12,02	15,99	11,83
	Mobile Source Fuel Combustion	Diesel for company vehicles	1.643,95	1.645,88	1.399,07
		Petrol for company vehicles	41,04	38,67	27,21
		LPG for company vehicles	0,78	9,93	11,40
		Methane for company vehicles	1,10	0,61	1,16
		Biodiesel	-	-	0,21
Scope 2	Purchased Electricity	Electricity for lighting, operating machines and plants - LB	4.964,56	4.912,12	4.790,48
	On-site Solar Generated Electricity	Electricity from renewable sources (photovoltaic) - LB	399,57	494,13	537,01
	District Heating	District heating	1.975,11	1.212,12	781,13
Scope 3	Upstream activity	Business Travel	108	121	112
Total			16.073,66	13.439,10	12.537,77

Finally, the Tosto Group analyses its emissions in line with the GHG Protocol, distinguishing them into three categories: direct emissions, or Scope 1; indirect emissions from purchased energy, or Scope 2; other indirect emissions, or Scope 3.

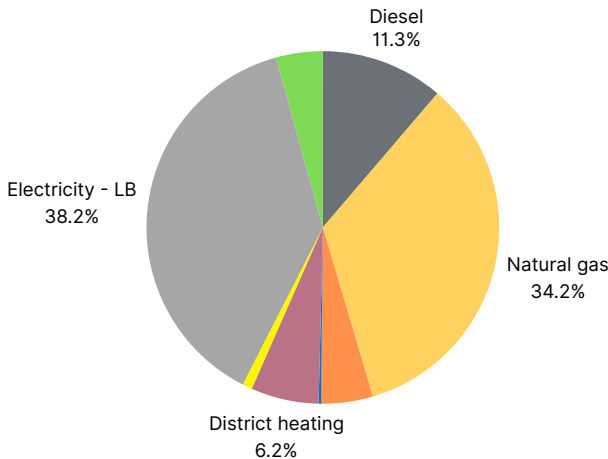
Scope 1, Scope 2 and Scope 3 CO₂ emissions for the period 2021-2023 show interesting variations across fuel and energy source categories. In 2021, total emissions were 16,073.66 tonnes of CO₂ equivalent, which decreased to 13,439.10 tonnes in 2022 and further to 12,537.77 tonnes in 2023. This represents an overall reduction of 21.99% over the three-year period.

This downward trend demonstrates how companies have taken effective actions to reduce their carbon footprint, with a particular focus on direct and indirect emissions, through the optimization of production processes, increased energy efficiency and greater use of renewable energy.

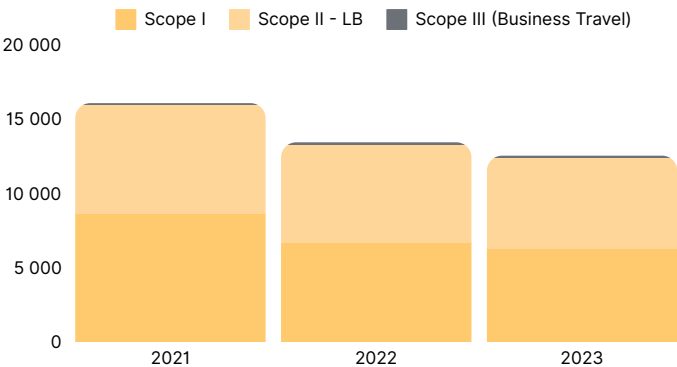
Emissions 2021-2023 per company (t CO₂ eq)



Composition of Emissions 2023 (tCO₂eq)



Emissions 2021-2023 (t CO₂ eq)





Scope 1: direct emissions

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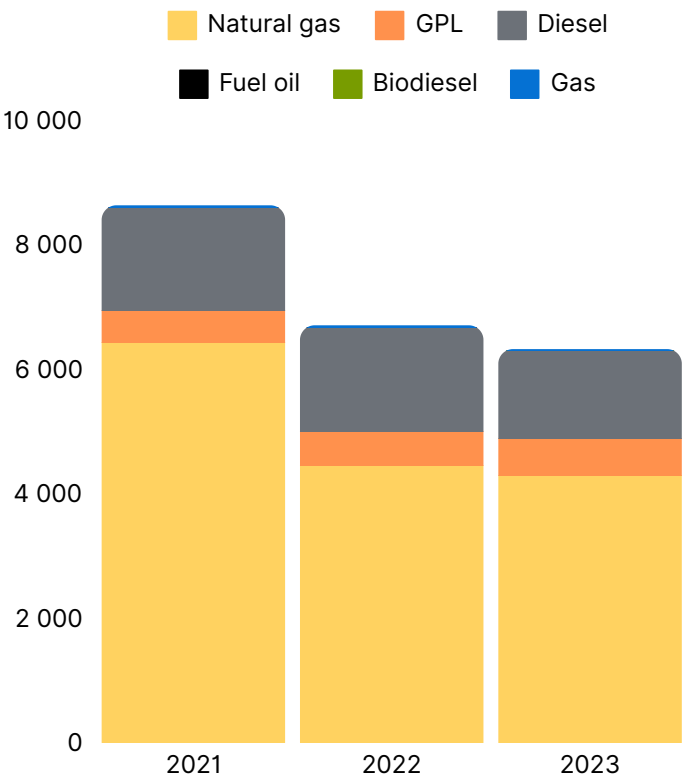
Tosto Group has demonstrated a constant commitment to reducing CO₂ emissions from both stationary and mobile sources in the period from 2021 to 2023. Emissions from **natural gas** used in production processes and for heating have seen a significant decrease, from 6,278.46 tonnes of CO₂ in 2021 to 4,174.33 tonnes in 2023. This decrease reflects an improvement in the efficiency of production processes and the introduction of more efficient heating systems.

In the business mobility sector, **diesel** CO₂ emissions for company vehicles have gradually decreased, indicating a modernization of the fleet and a shift towards more fuel-efficient vehicles. In contrast, **LPG** used in company vehicles has shown an increase, suggesting a shift in the preferred fuel type.

An interesting observation is the introduction of biodiesel in 2023, although in minimal quantities. This new item represents a step towards the adoption of more sustainable alternative fuels. The presence of biodiesel in the emissions balance comes from the activity of WTS GAS, which deals with the distribution and marketing of LPG, thus showing the expansion of its activities towards products with less environmental impact.

The sources of emissions classified as Scope I are directly controlled by the organization and are therefore the most “attackable” in a strategy to reduce its environmental footprint.

Direct emissions Scope 1 2021-2023 (t CO₂ eq)



Scope 2: indirect emissions from energy consumption

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The Tosto Group uses a "location-based" approach to quantify Scope 2 CO₂ emissions, which considers the average emissions in the region or country where it operates, providing an overview of the local energy mix. This method complements the "market-based" approach, which is based on the specific emission factors associated with the energy purchased by the company through contracts or commercial agreements. Both are recognized methodologies for calculating Scope 2 emissions.

Analyzing the data from 2021 to 2023, a constant decrease in overall Scope 2 emissions is observed. Emissions from electricity used for lighting, operating machinery, plants and heating, decreased from 4,965 tCO₂ in 2021 to 4,790 tCO₂ in 2023, showing an improvement in energy efficiency.

At the same time, electricity produced from renewable sources, such as photovoltaic from Walter Tosto S.p.A. plants, recorded a significant increase, going from 400 tCO₂ in 2021 to 537 tCO₂ in 2023.

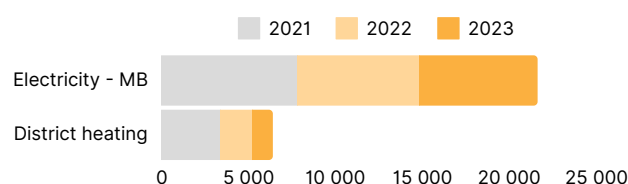
Emissions from district heating have shown a significant reduction, from 1,975 tCO₂ in 2021 to 781 tCO₂ in 2023. This reduction is due to a much more controlled use of district heating, achieved through an optimized management of switch-on times. This approach has made it possible to significantly reduce the use of this energy source, further contributing to the reduction of overall emissions.

The presence of energy from renewable sources such as photovoltaics in the CO₂ balance of the Tosto Group is currently limited, but there are concrete plans for a significant increase that will transform the energy approach in the coming years.

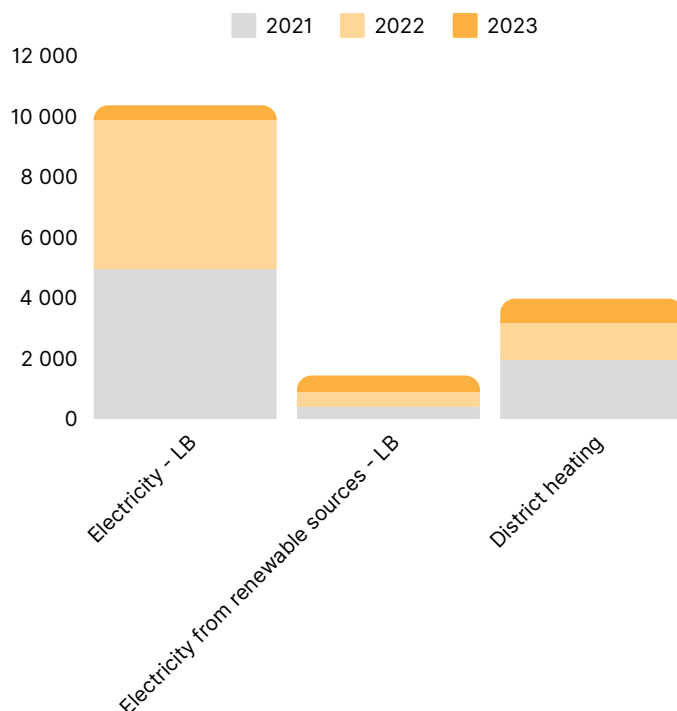
Tosto Group companies plan to significantly expand the capacity of their existing plants in Chieti, which is expected to double from 1.9 MWh to 3.8 MWh. In addition, new plants are planned in Ortona, with a capacity of 0.687 MWh, in Bucharest with 2 MWh, and in Oltenița with 0.767 MWh. These projects will not only increase the share of renewable energy in the group's energy mix, but will also contribute to reducing CO₂ emissions more significantly in the coming years.

The expansion project in Romania, in particular, is supported by obtaining funding under the PNRR (National Recovery and Resilience Plan), which demonstrates the strategic importance and government support for sustainability initiatives in the country. Walter Tosto WTB, with its commitment to PNRR projects, thus positions itself as a key player in the energy transition in Romania, significantly contributing to sustainability objectives at local and group level.

Scope 2 Emissions - MB, 2021-2023 (t CO₂ eq)



Emission Scope 2 - LB, 2021-2023 (t CO₂ eq)



Scope 3: other indirect emissions

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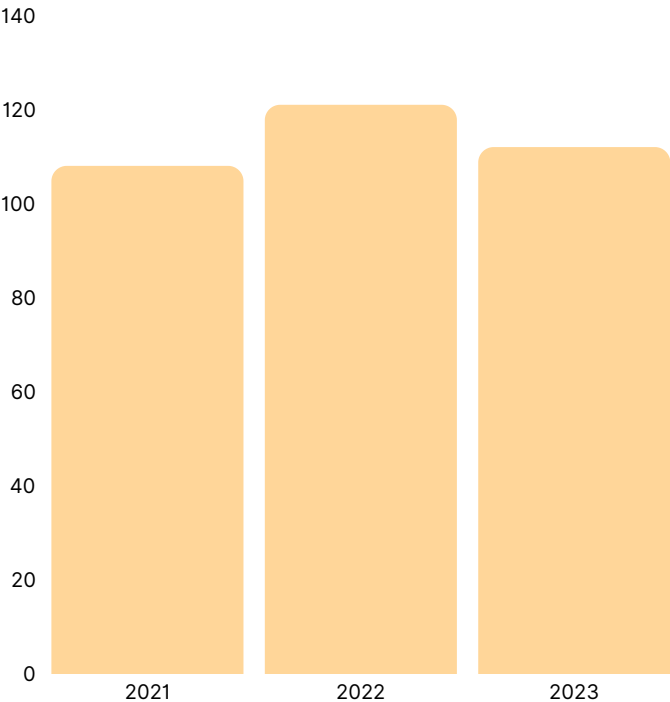
Scope 3 emissions include those indirect greenhouse gas emissions that do not arise directly from the organization's energy consumption, but are a consequence of its operations and arise from greenhouse gas sources owned or controlled by other organizations. These include emissions related to business travel, goods used, employee mobility, and other similar activities.

In 2021, emissions were 108 tonnes of CO₂. This reflects the effect of travel restrictions imposed by the COVID-19 pandemic, which led to a significant reduction in business travel compared to pre-pandemic levels.

In 2022, emissions increased to 121 metric tons of CO₂. This 12% increase compared to the previous year is attributable to the reduction of travel restrictions, which have allowed a gradual return to business travel, although not yet to pre-pandemic levels. In 2023, emissions decreased slightly to 112 metric tons of CO₂, marking a 7.4% decrease compared to 2022. This decline is the result of several dynamics, such as a more widespread adoption of hybrid or remote work arrangements that reduce the need for travel, the implementation of more stringent company policies aimed at limiting non-essential travel to contain costs and environmental impact.

The Scope 3 boundary is defined by the organization and generally includes only emissions that the company can quantify and influence. Unlike Scope 1 and 2, which must be reported, Scope 3 is optional. However, the choice was made to include all three categories of emissions in its reporting, demonstrating a commitment to comprehensively assess the environmental footprint of the Tosto Group.

Scope 3 Emissions - Business Travel, 2021-2023 (t CO₂ eq)



INTENSITY OF EMISSIONS

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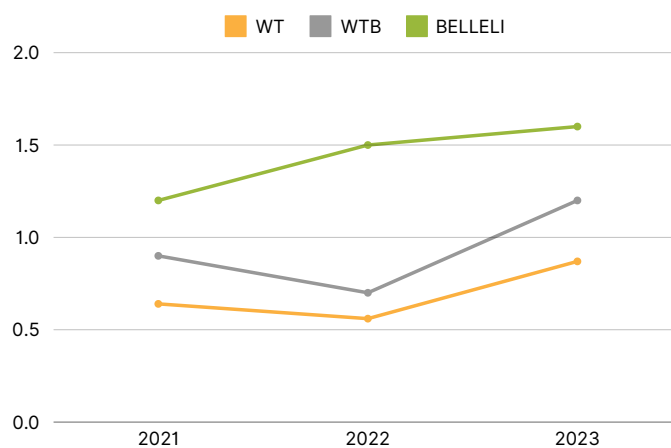
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The Tosto Group has verified the trend of CO₂ emissions through some intensity KPIs, comparing their value in 2023 with the values of the two previous years.

Emission Intensity for Companies in the Heavy Boiler Sector.

The decrease in the emission factor from 0.88 in 2021 to 0.81 in 2022 is a positive indicator of the effectiveness of the environmental impact reduction strategies adopted by the Group, such as process optimization. However, the significant increase in emissions intensity in 2023 to 1.20 tonnes of CO₂ per tonne of product deserves in-depth analysis. This increase can be attributed to an increase in the use of carbon-intensive materials and processes.

Emission Scope 2 - LB, 2021-2023 (t CO₂ eq)



WT, WTB, BELLELI	Unit	2021	2022	2023
Total net weight of products manufactured	Metric tonne	17.324	15.670	11.290
CO ₂ emission factor tonne of products manufactured	t of CO ₂ e / Tonne of net weight	0,9	0,8	1,0

Emission Intensity for Trading and Handling Companies

WTS GAS shows a decrease in CO₂ emission intensity per liter of LPG sold, dropping from 0.03 kg of CO₂ per liter in 2021 to 0.02 kg in 2023. This positive outcome indicates improvements in fuel management and distribution technology.

SEASTOCK, on the other hand, experiences an increase in emission intensity from 0.46 kg of CO₂ per ton handled in 2021 to 0.85 kg in 2023. This rise reflects greater complexity in the loads handled, as well as changes in logistical operations requiring higher energy expenditure per ton handled.

WTS GAS	Unit	2021	2022	2023
Liters of LPG sold	l	19.116.520	24.639.263	29.293.296
CO ₂ emission factor of LPG sold	t of CO ₂ e/ L of LPG	0,03	0,03	0,02

SEASTOCK	Unit	2021	2022	2023
Tons moved in output	t	310.505	207.769	167.837
CO ₂ emission factor of tons moved in output	t of CO ₂ e / t	0,5	0,7	0,9

Emission Intensity of the Tosto Group in Relation to Revenue

WT, WTB, BELLELI	Unit	2021	2022	2023
Revenue	k€	148.027	139.608	192.078
CO ₂ emission factor of revenue	t of CO ₂ e / k€	0,10	0,09	0,06

WTS GAS	Unit	2021	2022	2023
Revenue	k€	14.714	18.600	20.401
CO ₂ emission factor of revenue	t of CO ₂ e / k€	0,05	0,04	0,03

SEASTOCK	Unit	2021	2022	2023
Revenue	k€	4.923	2.227	2.406
CO ₂ emission factor of revenue	t of CO ₂ e / k€	0,03	0,07	0,06

MOBILITY MANAGEMENT

Starting in 2022, Walter Tosto S.p.A. has been carrying out a detailed mapping of the routes that employees take to travel from their residence to the company offices. In 2023, WTS GAS, which shares the same headquarters in Chieti, also participated in this initiative. This initiative led to the creation of the Home-Work Travel Plan (PSCL), a project aimed at promoting more sustainable transport habits in line with Interministerial Decree no. 179 of 12 May 2021, art. 3 paragraph 5.

The strategy is based on the analysis of transportation needs, collected through employee questionnaires, and the availability of transportation services, both corporate and public. This analysis took into account the willingness of employees to change their habits, as well as existing company resources.
The measures adopted fall within five main intervention axes outlined by the MiTE (see table on the side).

The implementation of these initiatives will allow the company to achieve its objectives in terms of reducing emissions and optimizing the mobility of its employees. In line with the company's mission, these measures will contribute to a positive impact on the environment, the well-being of employees and the entire surrounding ecosystem.
The assessment of the environmental benefits resulting from these measures was carried out following the procedures proposed by the Guidelines of art. 3, co. 5, Interministerial Decree no. 179 of 12 May 2021.

AXIS OF INTERVENTION	MEASURE
AXIS 2 - Promote the use of public transport	Active presence of the company for the implementation of the project "New public interchange car parks, new cycle/pedestrian overpass and new urban park in the area of the Chieti Scalo railway station" to improve the company's connection with the main TPL hubs
AXIS 5 - Further measures	Consequent request for pedestrian crossings near the entrances to company offices
AXIS 3 - Promote cycling and/or micromobility	Request for interventions on the territory (Pescara-Chieti-Manoppello cycle path) Increase the number of bicycle parking spaces in company areas
AXIS 1 - Discourage the use of private cars	Evaluation of the introduction of Car Pooling for employees

Company fleet

The group's corporate fleet reflects a diverse mix of vehicles and means of transport, with diesel fuel dominating in many categories. Passenger cars and mixed-use company cars show a mix of diesel, petrol and, to a lesser extent, LPG. The introduction of hybrid and electric vehicles is notable, albeit in limited numbers.

Commercial and industrial vehicles, such as vans, trucks and tractors, are mainly diesel-powered, with some exceptions for methane and LPG. A positive aspect is the presence of 36 electric carts and 8 electric forklifts, which indicate a step towards sustainable mobility in the logistics sector. In addition, the company has 2 electric bicycles and 44 traditional bicycles, thus promoting zero-emission forms of mobility.

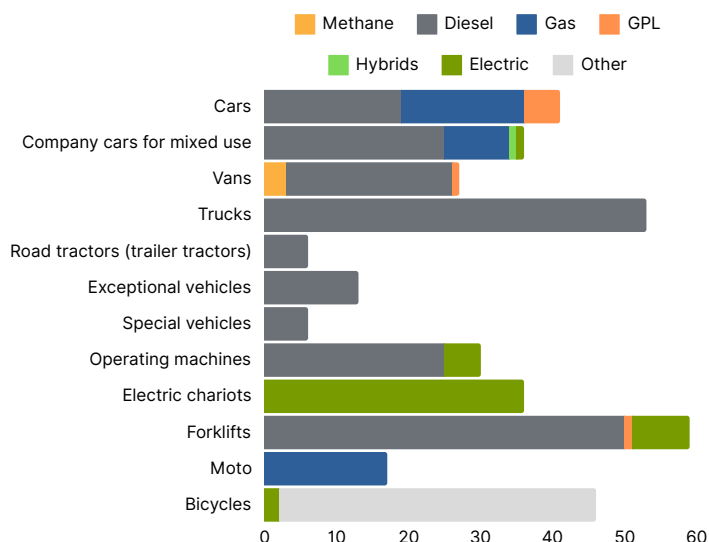
In particular, the Walter Tosto company has assigned 20 company cars (9 petrol-powered and 11 diesel) and makes 16 cars available to all employees (5 petrol/LPG-powered, 4 diesel and 7 petrol) to facilitate travel between offices or for business trips. It is significant to note that, in order to reduce the environmental impact and emissions from transport, the company has reduced the number of diesel cars by 2.4% during 2023.

In order to further improve the sustainability of the fleet, the company has developed a project, complete with a quote, for the construction of an LPG filling station at its headquarters in Bucharest.

This initiative demonstrates the group's commitment to adopting cleaner energy solutions and could encourage greater use of LPG vehicles in the future.

The Group is considering further increasing the share of electric, hybrid or alternative fuel vehicles in future replacements and acquisitions, in line with its demonstrated commitment to reducing diesel cars.

Company fleet 2023 (n.)



Integrated approach to the circular economy

Imagine a workshop where every scrap is seen as a potential resource. Here, engineers and workers collaborate daily to reinvent processes that were once considered immutable. From creatively reusing scrap steel to finding new ways to use waste sand, every challenge is seen as an opportunity for innovation.

How can this piece of metal be reused? Can we further reduce water consumption at this stage? Questions like these have become an integral part of the daily dialogue in the company.

The Group has not limited itself to looking inside its own walls. It has extended its vision, collaborating with universities and research centers to explore unexplored frontiers of sustainable production. This synergy between industry and academia is generating revolutionary ideas, such as the use of hydrogen in production processes or the development of more efficient and safe modular nuclear reactors.

But the circular economy in the companies of the Tosto Group is not just a matter of materials and processes. It is a change of mentality that involves every employee. From management to line workers, everyone is encouraged to think in a circular way.

SDGs	UNGC PRINCIPLES	KPI	PERFORMANCE 2023
		Total hazardous waste (vs. 2022)	-36,7%
		Total non-hazardous waste (vs. 2022)	+4,9%
		% of waste destined for disposal on total waste	16%
		% of waste destined for recovery on total waste	84%

RAW MATERIALS USED IN THE PRODUCTION CYCLE

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Walter Tosto Group is based on a solid heritage of skills and intangible assets for design, development in order worksheets and construction. The production process includes technological materials such as computers and customized software in the initial phases, up to specific resources such as electrodes and welding fluxes in the intermediate phases. The importance of specialized materials to guarantee the quality and efficiency of the production process is evident.

The main raw materials used in the production process are semi-finished products in carbon steel and stainless steel of various thicknesses. In addition to these, there are several additives that are essential to the process:

- Chemicals for welding and surface treatments
- Lubricating oils for operating machines and repairs
- Solvents for manual cleaning of semi-finished and finished products exiting from emulsion bath
- operating machines

The energy required varies from electrical energy in the design stages to mechanical energy in operational stages such as turning and assembly. Thermal energy is used in critical stages such as heat treatment and hydraulic testing, demonstrating the need for different forms of energy to support the various operations.

Water is mainly used for cutting specific pieces and in the hydraulic testing phase.

As for packaging, the Group uses only PEFC and FSC certified wood. This material is used for the production of crates intended for the shipment of spare parts and small components. The choice of wood as the only material

of packaging is dictated by the nature and considerable size of the manufactured products, which do not require the use of other materials for this purpose.

Outputs to the biosphere are mainly represented by truck exhaust emissions; outputs to the technosphere include a variety of wastes such as spent electrodes, chips and welding fumes. Efficient management of these wastes is crucial to minimize environmental impact and promote recycling and reuse practices.

From Renewal to Recycling

Tosto Group demonstrates a concrete commitment to the circular economy through several initiatives. A key aspect is the continuous modernization of existing equipment, making functional improvements to extend its life cycle and prevent obsolescence. This strategy not only optimizes company resources, but also reduces the need for new production.

In parallel, WTS GAS has implemented an innovative recycling process for disused LPG tanks. Instead of sending them to disposal, these tanks are collected and subjected to a recovery process. The steel obtained is melted and reintegrated into the production cycle, contributing to the creation of new products.

This practice perfectly exemplifies the principles of the circular economy, reducing environmental impact and preserving precious resources.

WASTE MANAGEMENT

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In the companies of the Tosto Group, in particular Walter Tosto, Walter Tosto WTB and Belleli Energy CPE, the waste whose production is quantitatively significant consists mainly of metal scraps. These include pantograph scraps of semi-finished steel and steel alloy products, machining chips and metal construction scraps. A positive aspect of the management of this waste is that it is recovered in the foundry, contributing to a circular economy process.

Other significant types of waste are those related to surface processing, common to all companies in the group. These include soaked rags, solvent waste, spent sand and contaminated packaging. Unlike metal waste, these types of waste are generally destined for disposal. This not only represents a significant term in the operating budget of companies, but also constitutes an environmental cost downstream of the production process. Furthermore, thanks to the adoption of responsible practices in the management of waste resulting from the installation, maintenance and repair of LPG equipment, as well as from the maintenance of distribution vehicles, WTS GAS has effectively minimized the environmental impact of its waste, ensuring its correct disposal at customers or third-party workshops, thus demonstrating that the issue of waste does not constitute a significant criticality for company operations.

The management of this waste is a common challenge for all the companies in the group, requiring a careful and responsible approach to minimize the environmental impact and optimize the associated costs. The group is continuously looking for ways to reduce the production of waste destined for disposal and to increase the percentage of waste that can be recovered or recycled, in line with the principles of the circular economy and the corporate sustainability objectives.

Management of significant impacts related to waste

3-3

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Tosto Group has demonstrated a strong commitment to responsible waste management, addressing the challenges of both on-site and ex-site management, in compliance with current regulations and with a strong sense of environmental and social responsibility.

On-site management:

All companies in the group have implemented rigorous waste management measures within their production sites:

Dedicated Areas: Specific areas, paved and generally covered, have been identified and created for the preliminary storage of waste. These areas have been designed to ensure the correct separation and movement of waste from the production areas to the storage areas.

Containment Systems: Walter Tosto S.p.A. stands out for having developed special containment systems internally, demonstrating an innovative approach to waste management.

Specific organization: Walter Tosto WTB S.r.l. has implemented a detailed waste management system, with dedicated areas for different types of waste in both the production and administrative areas. This includes spaces for waste similar to household waste, recyclable waste, used oils, damaged packaging, processing chips and electronic waste (WEEE).

Recovery Authorization: Belleli Energy CPE has obtained a specific authorization for waste recovery, optimizing logistics and moving waste only at full load, resulting in cost reduction.

Ex situ management and future improvements:

All the companies in the group recognize the need to improve the monitoring activities of environmental impacts downstream of waste production. Work is underway to:

- Strengthen collaboration with external service providers, especially those involved in the transportation and final management of waste.
- Develop supplier awareness policies to ensure the adoption of sustainable practices throughout the waste management chain.
- Improve monitoring of environmental impacts from waste management outside production sites.

In 2023, the group produced 5,882 tons of waste, a decrease compared to 6,019 tons in 2022. This reduction highlights the effectiveness of the waste management measures implemented.

Waste Production Analysis

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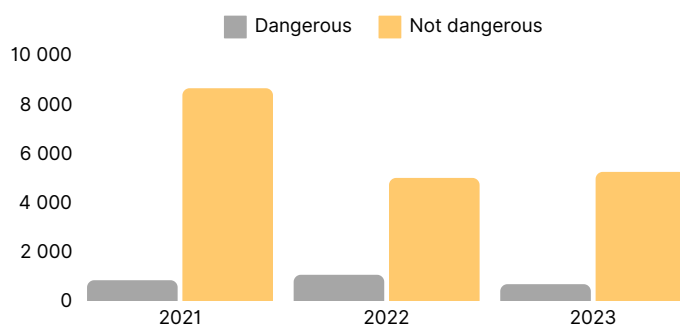
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In the period 2021-2023, the Walter Tosto Group recorded a significant evolution in waste production and management, demonstrating a constant commitment to environmental sustainability. Waste from surface processing of parts, such as sands and residues of spent paints and solvents, are classified as hazardous. Lubricating oil waste and emulsions also fall into this hazardous category. However, the majority of waste produced is non-hazardous, representing 88.8% of the total in 2023. A significant reduction in total waste is observed in the three-year period, with a decrease of 37.7% from 2021 to 2023. This positive trend reflects the effectiveness of the waste management measures implemented by the Group.

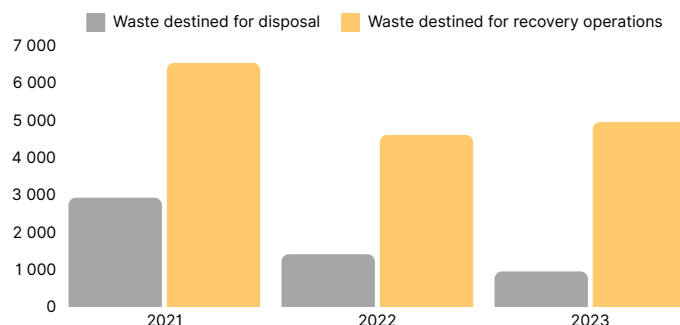
There is a change in the destination of waste. While in 2021 around 69% of waste was destined for recovery, this percentage rose to 84% in 2023. At the same time, waste destined for disposal decreased dramatically, from 2,916 tonnes in 2021 to only 938 tonnes in 2023.

These results reflect the Group's commitment to adopting circular economy practices. The increase in the percentage of recovered waste, despite the overall decrease in waste produced, highlights a qualitative improvement in the management of waste materials.

Total waste production 2021-2023 (t.)



Waste Destination (2021-2023)



Waste reduction strategy

3-3 306-2

Walter Tosto WTB S.r.l., a Romanian company of the Walter Tosto Group, has implemented a comprehensive waste prevention and reduction program for 2023, in accordance with the Romanian Emergency Ordinance 92/2021. The program focuses on several key areas:

- Efficient management of paper, cardboard and plastic packaging, with emphasis on reuse and separate collection.
- Optimization of the management of metal and wooden packaging, favoring recycling and reuse.
- Specific monitoring for waste from welding, sandblasting and other production processes.
- Measures to reduce electrical waste, such as purchasing long-lasting light fixtures.

Continuous training of staff on waste reduction practices.

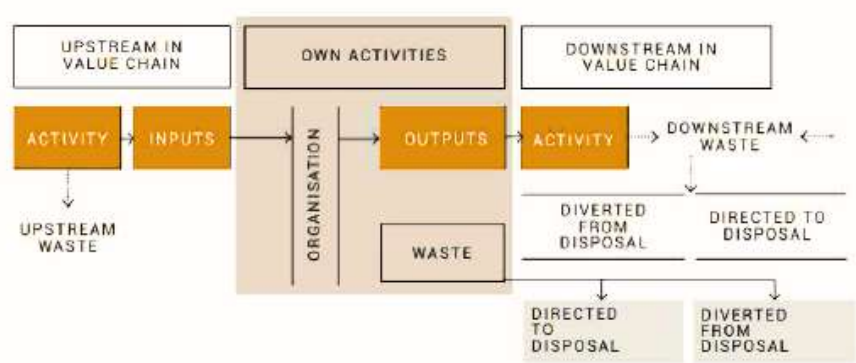
The plan establishes specific objectives for each category of waste, with deadlines and measurement indicators set at the end of each year. The company is committed to carefully monitoring the flow of materials and waste, collaborating with authorized companies for recycling and valorization.

For more details on the waste prevention and reduction program implemented in Romania, you can consult the complete document on the corporate website of Walter Tosto WTB S.r.l.

Process flow

3-3 306-3 306-4 306-5

Companies do not recover waste produced by third parties and therefore the characteristic model of materials entering and waste exiting the process, in a perspective that includes the classic “upstream and downstream” of the value chain, is very simple.





Protection of the biodiversity

WTS GAS plays a key role in protecting biodiversity by promoting LPG as a cleaner energy source. LPG stands out for its lower environmental impact compared to traditional fossil fuels, significantly contributing to the reduction of greenhouse gas emissions and other air pollutants.

WTS GAS's commitment to sustainability is articulated on several fronts:

- **Cleaner Energy Supply:** Burning LPG produces significantly lower emissions than coal and oil, improving air quality and reducing climate impact.
- **Education and Awareness:** The company is actively involved in promoting responsible use of LPG, educating customers on eco-sustainable practices and the importance of choosing low-impact energy sources.
- **Technological innovation:** WTS GAS invests in cutting-edge solutions such as the double-walled Amico tank. These innovations not only improve safety, but also reduce the risk of leaks or spills, further protecting the surrounding environment.
- **Holistic approach to sustainability:** In addition to providing cleaner fuel, the company adopts operational practices that minimize environmental impact at all stages of its business.

Through these initiatives, WTS GAS demonstrates a concrete commitment to protecting biodiversity and promoting a more sustainable energy future. The company recognizes that the transition to cleaner energy sources is a fundamental step for the conservation of ecosystems and the mitigation of climate change.

Water Management

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303-5

The production process in the heavy boiler sector is not particularly water-demanding, which means that water supply and discharge are not a crucial aspect in assessing the overall environmental impact of the company's activities. However, the Tosto Group recognizes the vital importance of water as a primary resource and is committed to managing its use responsibly and sustainably in all its activities.

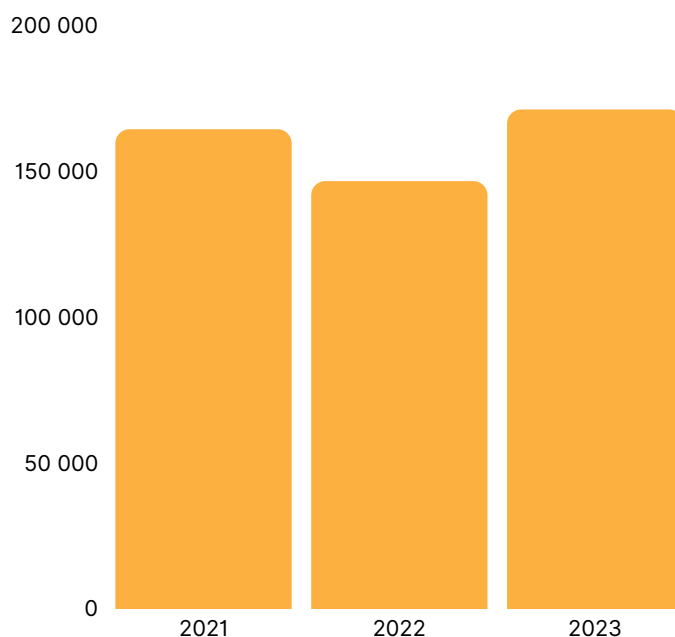
Water is mainly used for cutting specific pieces and in the hydraulic testing phase.

The water used for testing and testing of equipment is collected and reused repeatedly, demonstrating a concrete commitment to reducing waste. This practice not only conserves a valuable resource, but also reduces the volume of wastewater produced.

Another aspect of Walter Tosto's environmental commitment concerns the purification of runoff water from the yards. This measure is crucial to avoid overloading the existing sewage system and to limit the impact on the quality of surface water bodies, highlighting the company's responsibility towards the surrounding environment.

In terms of internal consumption, an initiative to reduce the use of drinking water in canteens and toilets was initiated and completed. The introduction of modern sanitary fixtures and taps, equipped with low-consumption flow reducers, has contributed significantly to this goal. In the canteen, chilled drinking water is provided without the use of plastic containers, eliminating waste and reducing environmental impact.

Water withdrawn and consumed (m3)



people

Dignity and Equality
Human Rights
Together in Safety
Skills for the Future
Well-Being of People

Dignity and equality

3-3

406-1

SDGs	UNGC PRINCIPLES	KPI	Performance 2023
		Percentage of women on total employees net of the blue collar category	22%
		Percentage of women in executive and middle management positions	5%
		Ratio of average salary of women to that of men, by geographical area	Italy: 79.06% Romania: 80,69%
		Ratio of highest annual compensation to the median total compensation of all employees, by geographic area	Italy: 3.6% Romania: 2,71%
 		Number of discrimination reports received and resolved	0
 		Percentage of employees belonging to protected categories	4%

THE VALUE OF DIVERSITY

2-24

Aligned with the principles of the United Nations Global Compact on human rights, the Tosto Group considers diversity a fundamental strategic lever for the company's competitiveness and the progress of its team. The group firmly rejects any form of discrimination related to gender, age, ethnicity or nationality, skin color, health condition, physical or mental abilities, marital status, sexual orientation, religious beliefs, political opinions or social class. Committed to creating a work environment that values individual differences, the Tosto Group is constantly dedicated to promoting an inclusive and safe working climate, free from violence and harassment, thus supporting a path of sustainable and respectful development for all its members. This vision of diversity is not only an ethical statement, but represents a strategy that recognizes the uniqueness of each individual as a precious resource, capable of enriching the corporate culture and stimulating innovation and growth.

Gender diversity

3-3

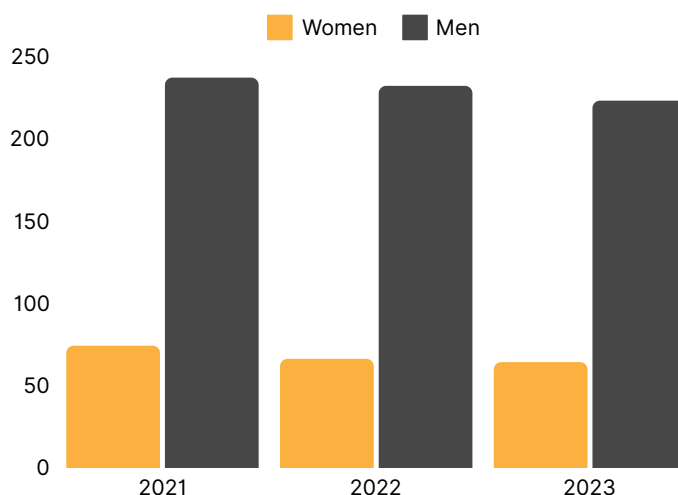
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405-2

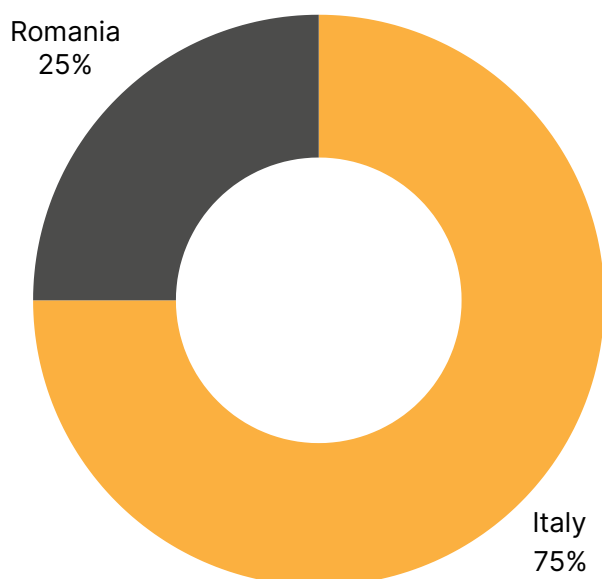
The vast majority of employees in the Tosto Group are men, a reality that reflects the traditional shortage of female labor supply in operational roles, characteristic of the company's business. For this reason, the analysis of female presence is carried out excluding the segment of blue collar workers, in order to provide a more equitable and specific assessment of gender distribution in the work environment.

In 2021, female office staff numbered 74, while in 2023 this number decreased to 64. Similarly, the number of men decreased from 237 in 2021 to 223 in 2023. This trend suggests an overall reduction in office staff across all companies during the period considered. Interestingly, although both genders show a decrease, the percentage decline in the number of women (-13.5% from 2021 to 2023) is less marked than that of men (-5.9% in the same period), which indicates greater stability in the female employment rate compared to the male one. Concentrated mainly in Italy (75% of the total), women benefit from 33% of active part-time contracts.

Staff by gender* (n.)



Female presence by geographical area - 2023 (%)



The entries and exits for the female gender show different dynamics across age groups. Specifically, women in the 30 to 50 age group have the highest frequency of both hiring and terminations, with 8 new hires and 11 exits, reflecting a higher turnover in this age category, attributable to career changes or life demands.

Even in 2023, we observe a gender profile that reflects the dynamics of the labor market in the technology and engineering sectors. Among white-collar workers, the female presence is 63 women compared to 195 men, showing a common distribution in many industries. At the middle management level, one woman out of 20 men highlights an opportunity to promote greater gender balance in middle leadership positions. Finally, the absence of women at the executive level indicates a clear area of improvement to strengthen the approach to diversity and inclusivity, focusing on female empowerment and leadership initiatives to promote a more balanced work environment.

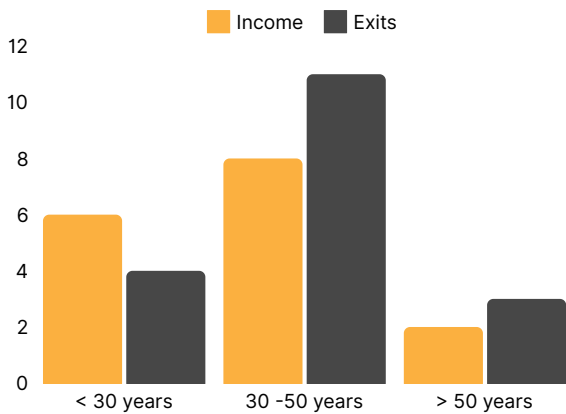
STEM Women (Science, Technology, Engineering and Mathematics). From the age of six, the career aspirations of girls and boys begin to be influenced by gender stereotypes, which can affect future choices. In response to this problem, the Tosto Group's corporate policy is strongly oriented towards reducing the gender gap, with a particular focus on STEM (Science, Technology, Engineering, and Mathematics) disciplines, traditionally male-dominated fields. Statistics show that, despite the efforts made, the challenge remains large and requires constant and targeted action to attract and retain female talent in key fields, thus strengthening the commitment to greater gender equity.

Parental / maternity leave

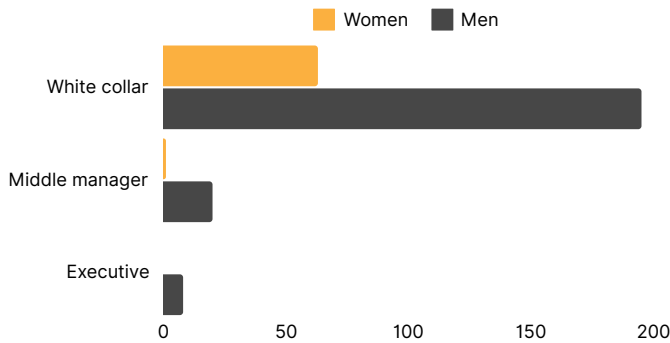
Tosto Group is committed to strictly complying with national regulations on parental leave in all its operating locations. In Italy, this translates into extended periods of absence from work for parents of children up to 12 years of age, whether they are natural, adoptive or foster. The Group's corporate philosophy actively promotes gender equality and work-life balance. Therefore, the company not only guarantees the absence of discrimination towards those who take maternity or paternity leave, but actively encourages the use of these benefits.

A concrete example of the Group's commitment is the company nursery at the Chieti headquarters, a valuable resource for employees who wish to

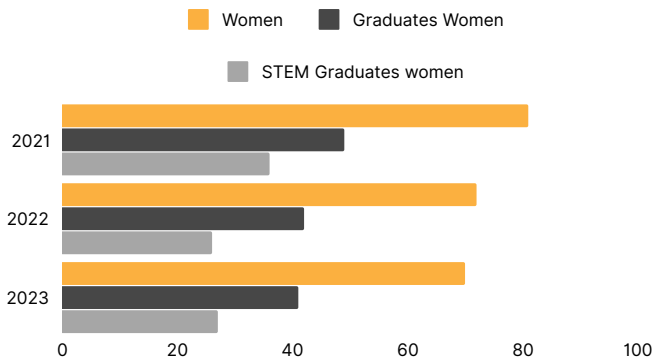
Entries and exits for female gender - 2023 (n.)



Entries and exits for female gender - 2023 (n.)



STEM Women 2021-2023 (n.)



effectively reconcile career and family (for further details, see the "Welfare" section).
To demonstrate the company's inclusive policy, detailed data on the number of employees and hours dedicated to childcare are provided below:

2023	Men	Women	Total
Mandatory Paternity Leave	27	-	27
<i>Ore</i>	2.175	-	2.175
Optional Paternity Leave	-	-	-
<i>Ore</i>	-	-	-
Mandatory Maternity Leave	-	2	2
<i>Ore</i>	-	2.046	2.046
Optional Maternity Leave	1	9	10
<i>Ore</i>	96	1.057	1.153
Breastfeeding	5	4	9
<i>Ore</i>	391	276	666,5
Pnr child illness < 3 years	1	4	5
<i>Ore</i>	8	86	94
Pnr child illness > 3 years	0	1	1
<i>Ore</i>	-	32	32

Gender pay gap. As part of its commitment to equity and inclusion, the Group has conducted an in-depth analysis of the Gender Pay Gap within its operating entities. This assessment, based on average annual data on basic salaries and total remuneration, is part of a broader context of corporate social responsibility and alignment with the United Nations Sustainable Development Goals, in particular SDG 5 on gender equality and SDG 8 on decent work. The methodology adopted provides for a disaggregation of data by professional categories, excluding the Romanian company of the Group from the Italian comparative analysis, given the substantial difference in the regulatory and contractual framework. It is worth highlighting that, starting from 2022, initiatives have been implemented aimed at harmonizing the functions of the Romanian branch with the Italian professional categories, a process that will require continuous monitoring to evaluate its effectiveness in the medium-long term.

The analysis of Italian data reveals complex and multifaceted dynamics. In the middle manager segment, there is an apparent female advantage, with a base salary of 103.41% compared to the male counterpart, which stands at 96.90% considering total salaries. However, the statistical representativeness of this data is limited, referring to a single female figure, and underlines the need to increase the female presence in managerial roles.

The white-collar and blue-collar categories present more marked disparities. For white-collar workers, the female/male pay ratio stands at 64.40% for basic salaries, improving to 79.06% in total wages. This positive delta suggests a more equal distribution of bonuses and fringe benefits, although it highlights a substantial gap to be filled.

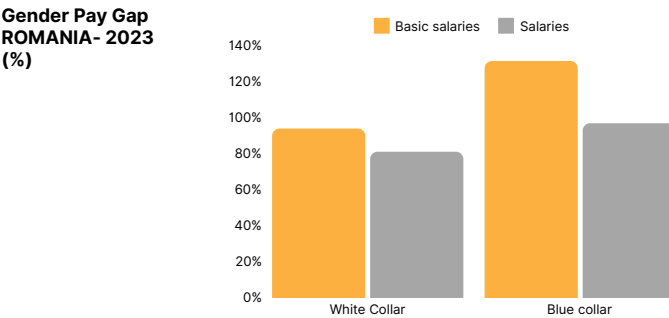
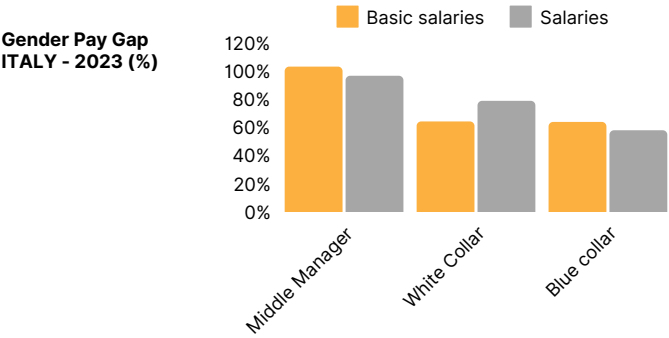
The situation of blue collar workers requires a more detailed analysis: the pay gap, with women receiving 64.06% of the basic salary of men and 58.13% of total wages, is significantly influenced by the different types of contracts applied. Female personnel in this category are not included in the metalworking collective bargaining agreement, unlike their male colleagues, a factor that significantly affects the observed disparity.

As for the Romanian company of the group, the analysis of the gender pay gap in 2023 reveals a varied picture:

Among white-collar workers, the average base salary of women is 93.57% of that of men, while considering total remuneration, the ratio drops to 80.69%.

For blue-collar workers, the opposite situation is observed: the average base salary of women is 131.05% of that of men, while the total remuneration of women is 96.50% of that of men. These data highlight that, while there is still a pay gap in favor of men among white-collar workers, among blue-collar workers women enjoy equal pay, if not an advantage in terms of base salary.

Tosto Group recognizes the importance of monitoring and addressing these disparities, committing to promote pay equity policies in all its operating locations. The companies will continue to work to reduce gender pay gaps, aiming to create a fair and inclusive work environment in all its divisions and organizational levels.





Disability diversity

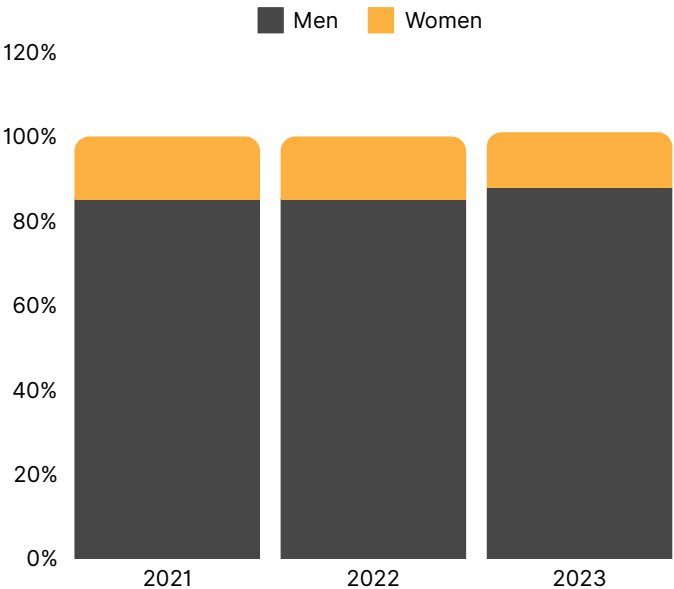
3-3 405-1

The Tosto Group demonstrates a concrete commitment to workplace inclusion, actively promoting the inclusion of people with disabilities in all its companies, compatible with the specific operational needs of each activity. As of December 31, 2023, the Group has a total of 40 employees with disabilities or belonging to protected categories, representing 4% of the total workforce. These collaborators are integrated at various levels of the company organization:

- 5% in middle management positions
- 30% in white collar roles
- 65% in blue collar jobs

This distribution underlines the Group's commitment to ensuring opportunities for professional growth and inclusion at all levels of the company. It is important to note that there are currently no employees with disabilities at WTB locations in Romania. The Group continues to monitor and evaluate opportunities to increase inclusion at this foreign location as well.

Disability diversity (%)



Age diversity

3-3 405-1

Tosto Group demonstrates a dynamic and diversity-oriented personnel management strategy, as evidenced by the data analyzed and its international presence. The company operates on a global scale, with a workforce distributed between Italy and Romania, characterized by significant demographic and geographical differentiation.

The significant increase in the 30-50 age group in 2023, combined with the maintenance of a solid presence of young people and senior workers, reflects a strategy aimed at creating an optimal balance. This diverse demographic composition allows the Tosto Group to address global challenges with a multifaceted approach, effectively combining different perspectives within a single and cohesive organizational design.

This heterogeneity of human resources represents an added value, bringing a variety of perspectives in the pursuit of corporate objectives.

- Generational diversity, in particular, plays a key role:
- It promotes a two-way exchange of knowledge: more experienced workers act as mentors, passing on skills accumulated over time, while young talents bring innovation and new perspectives.
 - Create a stimulating work environment: the presence of different age groups contributes to a rich corporate climate, where tradition and innovation merge.
 - It ensures continuity and adaptability: the balance between consolidated experience and new ideas ensures the Group both stability and the ability to face future challenges.

The overall growth of the workforce in 2023 not only suggests an expansion of the activities, but also underlines the ability to attract and retain diverse talents, creating an inclusive work environment. This strategy positions the Tosto Group as a resilient and innovative organization, ready to face the future challenges of the global market.

Cultural diversity

3-3

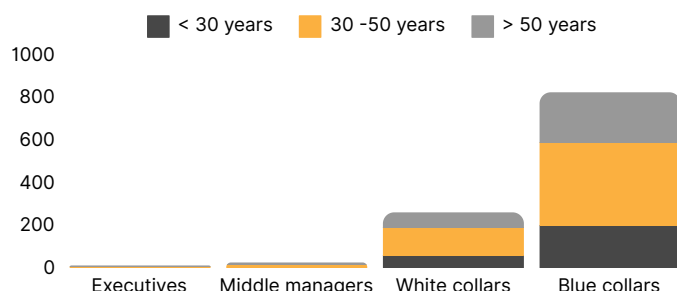
405-1

Tosto Group operates in an international context, boasting a team of collaborators that reflects its global presence. The company's workforce is not limited to employees of the countries in which the operating entities are present, but welcomes professionals of different nationalities, creating a mosaic of religions, languages and cultures. This diversity represents both a stimulating challenge and an invaluable resource. The Tosto Group recognizes the importance of consciously managing this cultural wealth, transforming it into a double advantage:

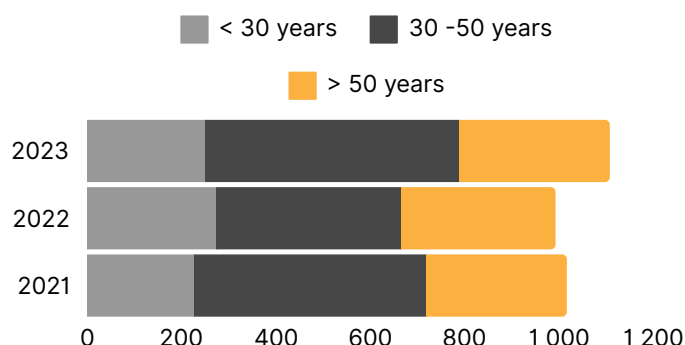
- A competitive asset that enriches the company with different and innovative perspectives.
- A heritage of shared human values that strengthens the social fabric of the organization.

The multiculturalism of the Group is highlighted by the data relating to the nationalities of the employees. In 2023, the companies had employees from 23 different nations, distributed as follows: The Tosto Group employs 241 professionals with nationalities other than the country in which they work, distributed in various geographical areas and professional levels as follows:

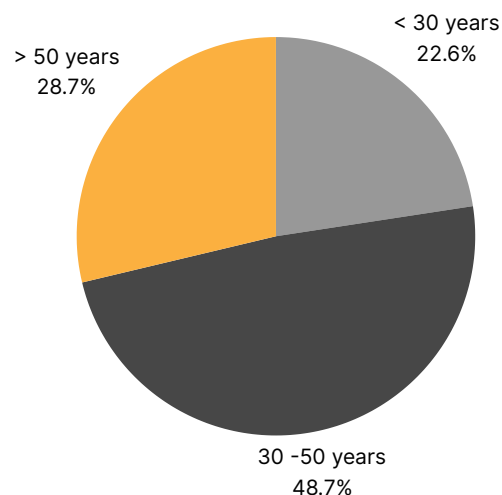
Distribution of staff by age group and professional category - 2023 (%)



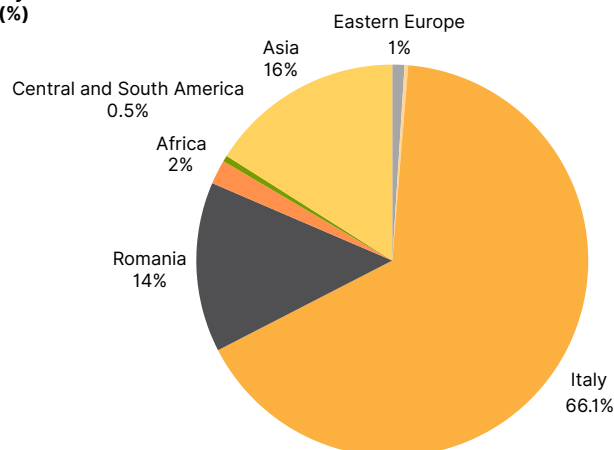
Employees by age group 2021 - 2023 (n.)



Distribution of staff by age group - 2023 (%)



Staff by geographic diversity - 2023 (%)



REMUNERATION POLICY

2-19 2-20 2-21

When hiring, Tosto Group companies adopt a remuneration policy based on fairness and the valorization of the skills and experiences of new employees.

The definition of the Gross Annual Remuneration (RAL) and the level of employment occurs through a careful evaluation of the qualifications, specific knowledge and previous experience of the candidates. This process aims to guarantee fair remuneration in line with the value that each employee brings to the company and to create a working environment in which people feel motivated and recognized for their contribution.

During the career path, employee performance evaluation becomes a fundamental element. Through carefully structured annual evaluations, the managers of each department evaluate the performance and progress of each employee. These evaluations help identify strengths, development opportunities and areas where the employee could benefit from additional training or experience.

Based on these assessments, management can make decisions regarding career advancements, promotions, or salary adjustments that reward employees' merit and commitment.

The Tosto Group, in line with best practices in transparency and pay equity, has conducted a detailed analysis of pay ratios for each of its companies.

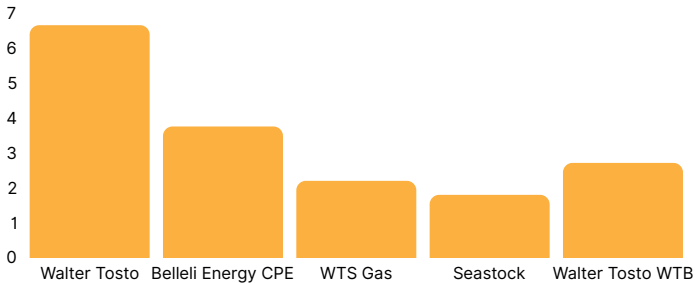
For 2023, two key indicators have been calculated for each company in the Group:

- The ratio of the highest-paid individual's total annual compensation to the average total annual compensation of employees. The result is a number that represents how many times the highest compensation is greater than the average compensation of other employees.
- The ratio of the percentage increase in total annual compensation for the highest-earning individual to the percentage increase

average of total annual compensation for all employees. The result is a number that indicates how much the percentage increase in maximum compensation differs from the average percentage increase.

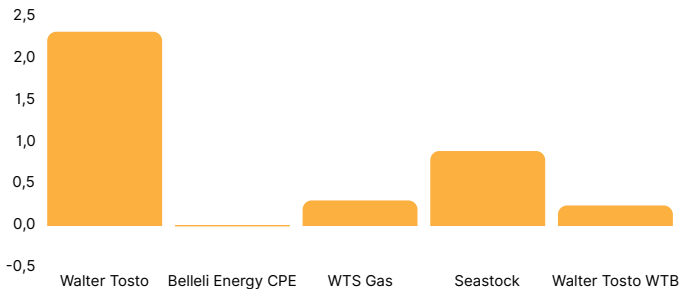
This data is presented in a detailed graph, broken down by each company in the Group, providing a clear and comparative view of the compensation structures within the organization.

Annual Total Compensation Report by Company - 2023



This diversity between companies reflects the different organizational structures, sizes and sectors of activity of the Group companies. It is important to note that these ratios must be interpreted in the specific context of each company, considering factors such as the complexity of operations, the scale of the business and the market practices in the reference sector.

Change in Annual Total Compensation Ratio by Company - 2023





Human rights

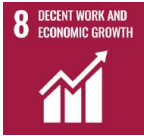
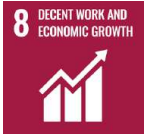
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409-1

SDGs	UNGC PRINCIPLES	KPI	Performance 2023
		Number of Human Rights Complaints Received and Resolved	0
		Percentage of Employees Covered by Collective Bargaining Agreements	100%*
		Average Overtime Hours per Employee	73

Respect for human rights is based on the intrinsic dignity of every human being and the responsibility of businesses to contribute to the well-being of individuals and local communities.

This approach is deeply rooted and widespread in the corporate culture of the Tosto Group, whose commitment begins with relationships with employees and extends to interactions with local communities, governments, suppliers, and all business partners, also encompassing security activities and workers' rights. This commitment is framed by the Universal Declaration of Human Rights of the United Nations and is reinforced by the Group's adherence to the 10 Principles of the Global Compact.

In line with these principles, the Tosto Group places particular emphasis on the prevention of labor

and the prevention of child labor and forced or compulsory labor in all its operations and throughout its supply chain. These practices are an integral part of the company's human rights policy and are subject to ongoing monitoring and evaluation to ensure full compliance with international standards and local regulations.

**Indicator referring only to the Italian companies of the Group*

The Tosto Group ensures collective bargaining coverage for all its employees, adhering to national regulations in the countries where it operates.

In Italy, the Group's companies apply various National Collective Bargaining Agreements (CCNL), adapting to the specific needs of the different sectors in which they operate:

- Walter Tosto S.p.A. and Belleli Energy CPE S.r.l.:
 - CCNL Industria Metalmeccanica e della installazione di impianti for the majority of employees
 - CCNL Dirigenti Industria for management personnel
- Specifically for Walter Tosto S.p.A.:
 - CCNL Turismo Confcommercio for cafeteria staff
 - CCNL Scuole private Federterziario for nursery staff
- WTS Gas S.p.A.:
 - CCNL Commercio Terziario for the entire workforce
- Seastock S.r.l.:
 - CCNL Energia e Petrolio for the entire workforce.

All Italian companies in the Group strictly adhere to legal and collective bargaining guidelines in case of significant organizational changes.

The Tosto Group recognizes the importance of social dialogue and industrial relations. In this context, Belleli Energy CPE has developed a structured interaction model with trade union representatives. In 2023, the company held five meetings with internal Trade Union Organizations (RSU), addressing crucial topics such as workloads, welfare, welding courses, the Zero Accidents Project, and other business aspects. This proactive communication and collaboration with social partners reflect the Group's commitment to constructive and transparent industrial relations.

In other Group companies, despite the absence of formal trade union representatives, open and continuous dialogue with employees is maintained through various internal communication channels, ensuring that their concerns and proposals are always considered in business management.

In Romania, Walter Tosto WTB S.r.l. operates under the "Codul Muncii" (Law No. 53 of 24.01.2003), adopting Individual Labor Contracts (CIM) in compliance with national and sectoral collective bargaining provisions. Despite the greater flexibility of individual bargaining in Romania, the company is committed to continuously improving employee conditions.

A concrete example of this commitment is the extension of the thirteenth-month salary to all white-collar employees in 2022, despite the absence of a legal obligation in Romania. Additionally, the company has implemented various innovations in contractual and corporate welfare areas.

Through these practices across its various operational companies, the Tosto Group demonstrates a consistent commitment to ensuring fair and favorable working conditions in all countries where it operates, adapting to local regulations and often exceeding the minimum required standards. This uniform approach underscores the Group's intention to maintain high standards of employee treatment and industrial relations across all its entities, regardless of the specific sector or geographic location.

The Tosto Group carefully manages the use of overtime, balancing production needs with employee well-being and compliance with applicable regulations. In 2023, the total overtime hours amounted to 81,232.10, showing the following trends across the various companies in the Group (see adjacent graph).

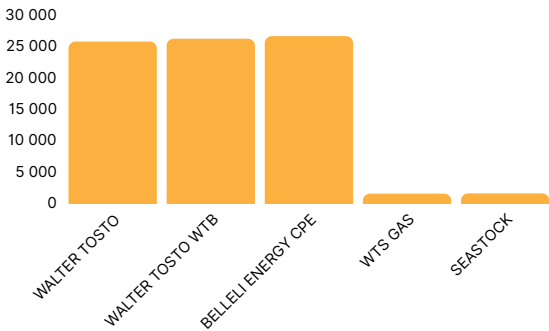
The companies constantly monitor overtime usage to ensure it remains within sustainable limits. Specifically, below are the percentages of overtime compared to total hours worked by company, noting that the overall ratio stands at 4.8%. The Group is committed to managing workload peaks primarily through efficient planning and, when necessary, through new hires. The goal is to minimize the reliance on overtime to ensure a healthy work-life balance for employees.

The Tosto Group recognizes the importance of overtime and compensates it fairly, considering the different regulations in the countries where it operates. In Italy, overtime hours are paid with premiums ranging from 25% to 50%, depending on the day and time period in which they are worked. This progressive compensation system reflects the Group's commitment to adequately recognizing the extra effort of its employees.

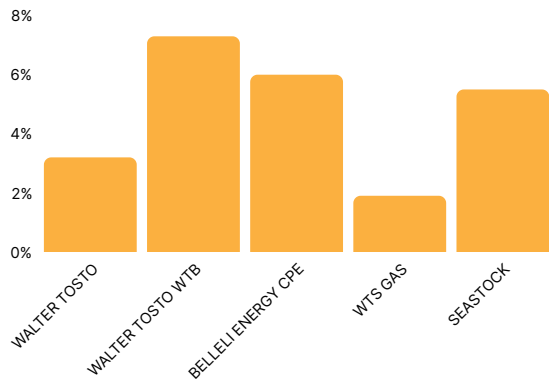
Regarding operations in Romania, despite a different regulatory context, the Group maintains the same principle of fairness. Overtime hours are compensated with a premium over standard rates, aligning with international best practices and demonstrating the Group's commitment to fair working conditions across all its operational sites.

This approach to overtime compensation not only complies with local regulations but also reflects the Group's values in promoting a balance between work and personal life, adequately compensating the additional time dedicated by its collaborators.

Overtime Hours by Company - 2023 (n.)

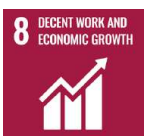


Percentage of Overtime Compared to Total Hours Worked by Company - 2023 (%)





Together in safety

SDGs	UNGC PRINCIPLES	KPI	Performance 2023
 	 	Total Hours Worked	1.787.747,56
		Total Hours Worked per Employee	1.615
		Fatalities Due to Work-Related Accidents	0
		Recordable Work-Related Injuries	24
		Work-Related Injuries with Serious Consequences	0

The Tosto Group considers the culture of safety as the foundation of its organization, significantly investing in health protection and the improvement of safety in the workplace. This commitment extends to all five companies in the Group: Walter Tosto S.p.A., Walter Tosto WTB S.r.l., Belleli Energy CPE S.r.l., WTS GAS S.p.A., and Seastock S.r.l..

- Technical improvements on machinery and workplaces
- Training, instruction, and continuous monitoring

Walter Tosto S.p.A. and Belleli Energy CPE S.r.l. have obtained **ISO 45001** certification, extending best practices throughout the Group. This standard enhances communication and increases stakeholder trust in health and safety performance.

HEALTH AND SAFETY MANAGEMENT SYSTEM

2-23	2-24	2-25	2-26	2-27
3-3	403-1	403-8		

The Group has implemented a robust HSE (Health, Safety, Environment) management system based on the PDCA (Plan, Do, Check, Act) cycle.

This systemic approach includes:

- Event analysis
- Risk identification and assessment
- Internal audits

RISK MANAGEMENT

3-3	403-2	403-9	403-10
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The hazard identification and risk assessment process considers:

- UNI standards
- Italian and Romanian legal requirements
- Two decades of corporate experience
- Involvement of senior management and the HSE function

Prevention Measures Adopted:

- PPE for Residual Risks
- Collective Protection Measures
- Replacement of Hazardous Elements

The Group has implemented procedures for investigating incidents, injuries, and near misses, ensuring continuous improvement.

Organizational Model and Control

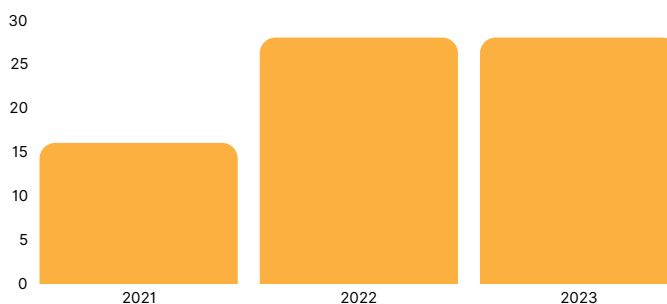
Walter Tosto has adopted an Organizational Management and Control Model (MOG) in accordance with Legislative Decree 231/01, which includes quarterly reviews of safety indicators and continuous monitoring of HSE activities.

Performance and Continuous Improvement

In the three-year period from 2021 to 2023, the company has observed a significant evolution in its workplace safety profile. The total number of injuries increased from 16 in 2021 to 28 in the following two years, all of a temporary nature. Considering the metalworking sector in which the company operates, with a predominantly male workforce, these figures reflect the staff composition.

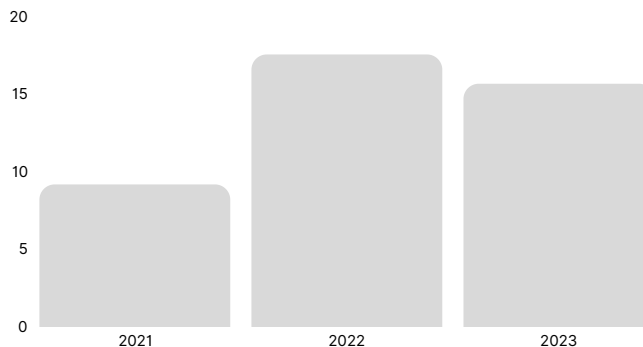
Positively, there have been no fatalities during this period. The Frequency Index showed an increase, rising from 9.16 in 2021 to 15.66 in 2023, indicating the need to strengthen preventive measures. However, the Severity Index demonstrated a consistent decreasing trend, dropping from 2.96 to 2.51 during the same period. The company remains committed to continuously improving its safety practices, aiming to reduce both the frequency and severity of injuries in the coming years.

Injuries at Work 2021-2023 (n.)



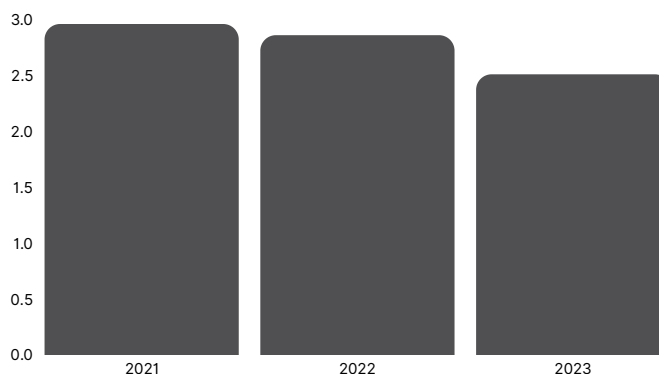
Frequency Rate* 2021-2023

*The Frequency Index is calculated as $FI = (\text{Number of Injuries} \times 1,000,000) / \text{Hours Worked}$.

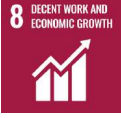


Severity Index** 2021-2023

**The Severity Index is calculated as $SI = (\text{days lost per injury} / \text{hours worked}) \times 1,000$.



Skills for the future

SDGs	UNGC PRINCIPLES	KPI	Performance 2023
    		Average hours of training per employee	82
		Total training hours provided	90.476
		Number of partnerships with educational institutions	4
		Number of interns or trainees welcomed in 2023	77

The Tosto Group recognizes investment in training and human resource development as a fundamental strategic pillar. This approach aims to cultivate skills and know-how, creating an organization that grows at all levels through its achievements.

Unlike investments in tangible assets, investment in human resources offers a theoretically unlimited potential return. Targeted training can lead to significant increases in productivity, innovation, and the company's ability to adapt to market challenges.

The Tosto Group is committed to enhancing its human capital through a meritocratic approach, reflected in its evaluation and personnel development processes. This system ensures that growth and advancement opportunities are based on skills, performance, and individual potential.

TRAINING FOR EMPLOYEES

3-3 403-5 404-1

2023 marked a year of significant commitment to training. A total of 90,476 training hours were provided, with 22,488 in Italy and 67,988 in Romania, reflecting a remarkable 407% increase compared to the previous year. On average, each employee received about 25 hours of training at the Italian locations and 278 hours at the Romanian sites, with a distribution favoring men.

Notably, the blue-collar category particularly benefited from this investment.

The training activities saw blue-collar employees benefiting the most, averaging around 103 hours per employee. This emphasizes the company's commitment to providing growth and development opportunities at all organizational levels.

Training programs covered a wide range of areas, from specific technical skills to soft skills, workplace safety, and technological innovation. The distribution of the 90,476 total training hours is detailed in the accompanying graph.

Looking ahead, the Gruppo Tosto remains convinced that continuous investment in employee training and development is key to maintaining its leadership position in the industry. The company will continue to explore new learning methods, tailor training paths, and create an environment where every employee can fully realize their potential.

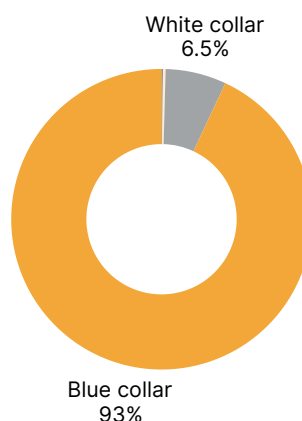
The training plans reflect a balanced approach to the organization's diverse needs, with a strong emphasis on health and safety. This strategic priority is evident through significant investment in specific training programs aimed at enhancing employees' safety awareness and skills.

The effectiveness of this approach is highlighted by a direct correlation between increased safety training and a notable reduction in workplace incidents. Data collected show a decreasing trend in both the number and severity of injuries, directly proportional to the rise in training hours dedicated to safety. This tangible outcome not only confirms the validity of the safety policies adopted but also underscores the Gruppo's concrete commitment to creating a workplace that prioritizes employee well-being. Safety training is thus not merely a regulatory obligation but a strategic investment that yields measurable benefits for both workers and the company.

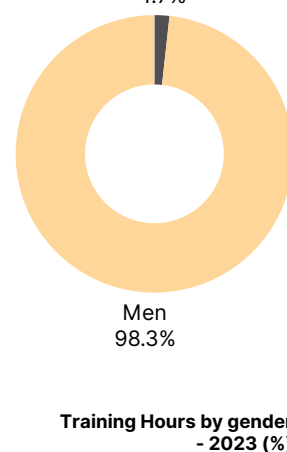
The positive impact of these training programs extends beyond mere injury reduction, helping to forge a corporate culture where safety is a shared responsibility and a fundamental value.

This proactive approach to safety strengthens employee trust, enhances productivity, and solidifies Gruppo Tosto's reputation as a responsible employer committed to the well-being of its employees.

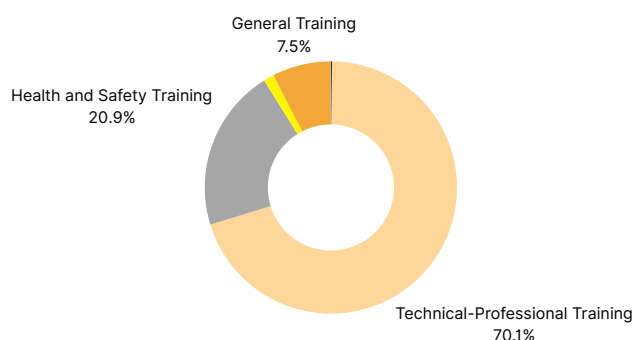
Training Hours by Professional Category - 2023 (%)



Training Hours by gender - 2023 (%)



Training by Area of Intervention - 2023 (%)



CONTRIBUTION TO ECONOMIC AND SOCIAL **PROGRESS**

It is essential to emphasize the Tosto Group's commitment to social sustainability, especially in youth training. In addition to continuous learning programs for employees, Walter Tosto offers young people interested in pursuing a career in the company the opportunity to acquire all the necessary skills.

The commitment also takes the form of financial support, in the form of donations to professional schools in Pescara and Mantua. The aim of these projects is to support the **Percorsi for Transversal Skills and Orientation**, created specifically to introduce and train young students to the world of industry.

Such initiatives not only allow students to gain practical on-the-job experience, but also create a direct bridge between education and employment opportunities in industry, ensuring that the educational path is functional and oriented towards **concrete job placement**.

Close to the young people 3-3 413-1

The Tosto Group deeply believes in the importance of collaboration between companies, technical-professional institutes and universities to promote the development of young talents and to train professionals who can inherit an important heritage of skills.



+300
STUDENTS TRAINED

60%
STUDENTS HIRED

18
YEARS OF TRAINING
EXPERIENCE

Aware that a significant part of the value generated by the company comes from people, and inspired by a solid commitment to social responsibility, Walter Tosto has always placed a strong emphasis on the training of future workers by investing time and resources in the professional and human growth of the community in which it operates. The symbiotic bond between Walter Tosto S.p.A. and the local fabric has made possible a fruitful interaction with the technical institutes of Chieti and Pescara, giving rise to profitable collaborations. These efforts have brought tangible benefits to students and their families, have increased the prestige of the institutes involved, stimulating the growth of the company and the enrichment of the entire local community.

Since 2006, Walter Tosto has started to hold **annual professional training courses for welders**. These courses, lasting 220 hours, have seen the participation of over 400 young people over a period of about eighteen years, 80% of whom have obtained the qualification of welder, and 50% of them have subsequently been included in the company's production staff.

In the academic year **2009-2010**, Walter Tosto S.p.A. inaugurated the first edition of the **Master in Pressure Process Equipment: Design and Manufacturing**, the result of a collaboration with the University of L'Aquila and the Italian Institute of Welding, with the participation of 20 students. The success of this initiative led to the creation of the second



edition in the academic year 2011-2012, confirming once again the interest and enthusiasm of 20 other young talents, 12 of whom subsequently found employment in the company. In addition, scholarships were made available for the Master's participants.

In 2014, the company organized a professional training course for 20 students in their final year of the Chemical Engineering degree course at the University of L'Aquila, focused on the mechanical design of pressure equipment. In the same year, Walter Tosto launched the Junior Sales Area Manager master's degree to train future Sales Managers.

In July 2017, the company organized a six-week training course for Robot Welding Operators in collaboration with the Italian Welding Institute, for 14 young people selected to participate, 9 of whom began a professional path in the company.

Among the most significant training collaborations we find the partnership activated in the 2017-2018 school year together with the "L. Di Savoia" Institute of Chieti, which actively involves the third, fourth and fifth year students of the Mechanics, Mechatronics and Energy major.

The students who participate in the course follow a study plan (Boiler Characterization) developed jointly by the Institute's teachers, engineers and technicians of Walter Tosto, which is followed by the carrying out of internship activities over the course of three years at the company's offices.

In 2017, the company helped create the Professional Qualification in Boiler Operator in collaboration with the I.I.S. Umberto Pomilio of Chieti. Recognized by the Abruzzo Region, this qualification is obtained in the third year of the professional institute and, at the end, a PCTO is activated for students at the company.

Between 2018 and 2020, Walter Tosto collaborated with the Higher Technical Institute for Energy Efficiency (ITSEE) of L'Aquila to create a Course for Higher Technician Industry 4.0: design and manufacturing of critical systems for the Energy sector, aimed at young graduates and diploma holders.

The course, recognized by the Abruzzo Region and the MIUR, allowed 23 students to participate for free, with the possibility of receiving reimbursements for expenses incurred and scholarships.

The program included 1,800 hours of theoretical and laboratory training and company internships, culminating with the awarding of a Level V EQF Diploma. Of the 23 participating students, 15 were hired by Walter Tosto S.p.A.

In 2021, Walter Tosto further demonstrated its commitment to the growth and development of specialist skills by hiring 4 young engineers who completed the specialist course called "Critical Process Equipment Expert". This course, organized by the sister company Belleli Energy CPE, was created in collaboration with the University of Modena and Reggio Emilia and the UniverMantova Foundation.

A model of school-business interaction

Walter Tosto has entered into a successful **partnership with the Professional Institute "Di Marzio – Michetti" of Pescara**, giving life to a virtuous model of specific training. Starting from the **2015-2016** school-work alternation projects were launched for the three-year specialization of the course of study "Industry and Craftsmanship for Made in Italy" - Mechanical Operator, now PCTO, in a climate of complete synergy and integration between business and school.

Following a major investment by the company within the school in **2022**, through the setting up of a laboratory with **20 cutting-edge welding stations** equipped with every safety and protection measure for the children, the students of the three-year specialization course in the "Industry and Crafts for Made in Italy" - Mechanical Operator address were able to benefit from a very high level of theoretical and practical education, thanks also to the presence of specialized instructors made available by Walter Tosto during welding lessons three mornings a week. At the same time as this relaunch of the laboratory, the school took steps to obtain the accreditation necessary to issue the three-year professional qualification certificate of Welding Operator for 3rd year students. This professional figure is increasingly in demand by local companies, together with that of Machine Tool Operator, already the subject of professional training within the school.

The IPSIAS Di Marzio-Michetti of Pescara and Walter Tosto S.p.A. have developed a unique collaboration that allows students to continue their work training during the summer. In fact, at the end of each school year, Walter Tosto offers Di Marzio-Michetti students, who have completed the PCTO in the company, the opportunity to voluntarily continue their path in the summer months with a paid training-education contract.

Worth mentioning is the 5th edition of "Storie di alternanza", in which Walter Tosto and Di Marzio - Michetti won the First Prize for the Best PCTO Experience with the project "La Fucina dei Sogni". This project tells the story of a student originally from Nigeria, who thanks to this path was able to integrate into society and the world of work. In 2023, the collaboration between Walter Tosto S.p.A. and IPSIAS Di Marzio-Michetti allowed 14 students from the third, fourth and fifth years

year, coming from the "Made in Italy - Mechanical production and maintenance" and "Technical assistance of vehicles" addresses to carry out an **internship experience abroad at Walter Tosto WTB in Bucharest**, allowing them to broaden their knowledge and skills in an international context.

Educational Excellence: From Abruzzo to Mantua

In **2023**, investment was made for a **new welding laboratory in Mantua at the Bonomi Mazzolari Institute**. This initiative by Belleli Energy CPE represents an extension of the best practices already consolidated in Abruzzo by the Tosto Group. This is an innovative project for the area, which includes a five-year course to train boiler operators with international skills.

The synergy between industry and education, already successfully tested by Walter Tosto, is now replicated and adapted to the Mantua context, demonstrating the scalability and effectiveness of this training model in different territorial realities. Furthermore, as a further demonstration of the commitment to creating an excellent training network, the Bonomi Mazzolari Institute of Mantua has twinned with the IPSIAS Di Marzio Michetti of Pescara. This partnership between schools in different regions offers students a unique opportunity to exchange experiences and knowledge, further enriching their training path and broadening their professional prospects.

Visits and orientation days

Walter Tosto's openness to the world of education also extends to initiatives such as visits and orientation days in schools and company laboratories. These are occasions in which Walter Tosto is committed to providing students with the skills and knowledge needed to face the world of work with greater awareness and preparation.

The company constantly welcomes students in their final year of compulsory schooling and from the Technical Institutes of Chieti and Pescara, offering them direct experience of the work environments and production processes, guided by expert technicians and engineers.



Traveling Laboratory

From the synergy between IPSIAS Di Marzio-Michetti and Walter Tosto comes a project that projects students directly into the future. Through the "Traveling Laboratory", in fact, the world of professions passes from the school desks to arrive in the heart of the Walter Tosto production plants. All in the space of a morning full of experiences, knowledge and emotions. The program involves students of the lower secondary schools of the province of Pescara - called to make an important choice for their studies and life path - and is aimed at showing the itinerary that, from school, opens the doors to the corporate universe.

Awards

During the 2017-2018 school year, Walter Tosto S.p.A.'s commitment to the "Scuola Lavoro e Sicurezza" project was recognized with a special honor: delegates from the Provincial Consulate of Pescara of the Federazione Maestri del Lavoro d'Italia presented a plaque to CEO Luca Tosto. This award underlines the importance of the collaboration between the company and educational institutions, which allowed numerous students from technical and professional institutes in the area to visit Walter Tosto's production facilities. Led by technicians and engineers from the company, the students had the opportunity to learn about the world of work and safety practices up close.

Curricular internship for theses

Walter Tosto S.p.A. has established a constant practice of offering internships and support to students in writing their degree theses. This commitment aims to promote osmosis between corporate and university know-how, creating a bridge between the academic world and the industrial sector.

By entering into and renewing agreements with target universities, the company provides a practical context in which students can apply the knowledge acquired during their studies.

Academic partnerships to advance nuclear fusion technology

Walter Tosto has long undertaken a path of active support for research and innovation in the nuclear fusion sector, consolidating partnerships with academic institutions and directly supporting students and researchers.

Among the main initiatives, the company awards scholarships to graduate students who have completed their theses at Walter Tosto, as well as to researchers from the University of Tuscia (UNITUS), as in the case of a project in Germany that led to the creation of "tungsten foams", a promising material for applications in nuclear fusion.

Walter Tosto is also committed to organizing educational visits, annually welcoming students and professors from prestigious universities such as Tor Vergata, Tuscia, Padua and Naples Federico II.

On these occasions, master classes are held in which the challenges and peculiarities in the fabrication of components for nuclear fusion are illustrated. Walter Tosto will soon carry out a particularly stimulating project: after having already completed the design phase, they will move on to the construction of a small TOKAMAK that will be assembled at the University of Tuscia. This will allow students to experiment and study closely the dynamics of TOKAMAKs, essential devices in the study of nuclear fusion.

Finally, Walter Tosto contributes to the international educational landscape through online lessons organized by FuseNET, the European association that unites students involved in master's degrees on nuclear fusion.

Training and Innovation in the Hydrogen Sector
Walter Tosto collaborates with the University of L'Aquila and finances mechanical design activities with specific applications in the hydrogen sector, contributing to the growth of students.

The company is involved in partially funded national and European projects for the production and use of zero- or low-carbon hydrogen. This commitment facilitates cooperation with industry, academia and research institutions, promoting the acquisition of know-how and skills for employees.

Scholarships

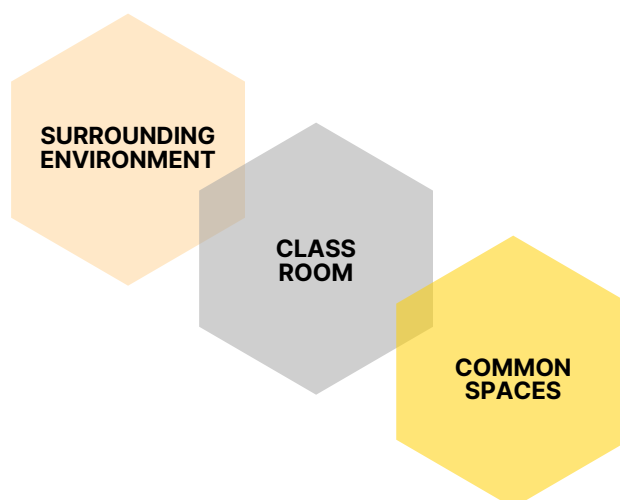
Tosto Group demonstrates its commitment to sustainable development and investment in human capital through an innovative advanced training initiative. In 2023, the company established a scholarship program for its employees, offering seven of them the opportunity to enroll free of charge in the Degree Course in Environmental and Energy Law established starting from the academic year 2023-2024 at the University of Teramo.

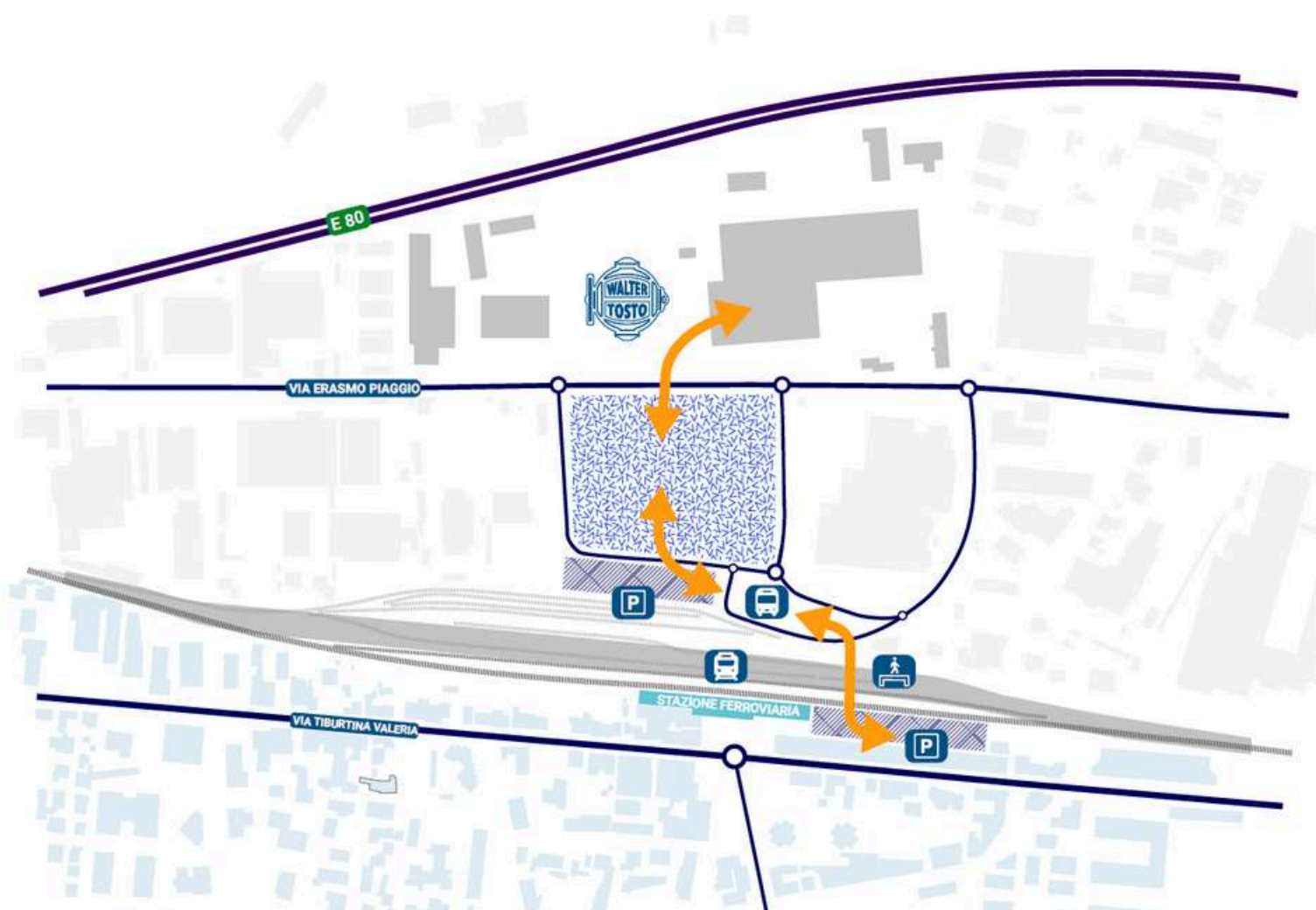
This course, designed to reconcile work and study through a significant component of online lessons, reflects the Group's attention to crucial issues such as environmental sustainability and renewable energy. The initiative not only enriches the skills of employees in a strategic sector, but also strengthens the company's ability to address future challenges related to energy transition and environmental management.

Future projects

Walter Tosto has acquired a plot of land in Chieti that it intends to donate to the public administration for the construction of a training center in order to bridge the gap between the technological skills required by industry and those taught in schools. In full compliance with the School Plan 4.0, the project already implemented by Mr. Luca Tosto includes a complex intended for school lessons, supported by professional teaching laboratories. Furthermore, the proximity to the production plants of Walter Tosto S.p.A. will promote continuous contact with the reality in which the young people will subsequently be inserted, an essential element for their professional growth and for a more complete and concrete training.

The ambition of this project is therefore to become a meeting, study and specialization place for the new generations, also contributing to the relaunch of an important industrial district located in the heart of the Pescara - Chieti metropolitan region, known as Val Pescara.





Well being of people

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Tosto Group recognizes that attention to the well-being, health and quality of life of its employees is a determining factor for business success, as it directly reflects on productivity and business growth. The company is aware that showing genuine interest in the psychological and physical well-being of employees significantly contributes to their motivation and sense of appreciation. This approach leads to a significant decrease in stress levels and promotes a more collaborative corporate climate. In this virtuous circle, achieving objectives occurs more easily, generating further recognition and satisfaction.

Furthermore, the Group has found that the implementation of effective welfare policies increases the company's ability to attract and retain talent. The resulting reduction in turnover has the direct consequence of containing costs related to training and the integration of new hires.

At the same time, a significant decrease in absenteeism has been observed, thanks to

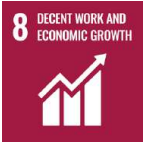
to increased attention to employee health and well-being.

In this perspective, the Tosto Group promotes and implements a complex set of welfare initiatives. These are aimed at creating and spreading well-being, as well as improving the quality of life of employees and their families, through a variety of benefits and recognitions.

Key initiatives include:

- Work-life balance support
- Initiatives for mental and physical well-being
- Professional and personal development opportunities
- Flexible benefits that can be adapted to individual needs

This holistic approach to employee well-being not only improves the quality of working life, but also helps consolidate the Tosto Group's reputation as an employer of choice, strengthening its competitive position in the labor market and in the industrial sector.

SDGs	UNGC PRINCIPLES	KPI	Performance 2023
  	 	Welfare initiatives promoted	12
		Employee absenteeism rate	4,3%
		Number of reports of occupational diseases	7
		Number of recordable cases of occupational diseases	0

Welfare

3-3

401-2

Close to families: Nursery. Walter Tosto S.p.A.'s initiative to implement a company nursery within its Chieti headquarters since 2019 is a clear example of how the company can play an active role in improving the quality of life of its employees and their families. This service, available during working hours all year round, demonstrates a concrete commitment to the well-being of workers, offering them tangible support to better reconcile work and family needs. In providing this service, a safe and stimulating environment is guaranteed for the little ones, with highly qualified staff who are attentive to their needs. This allows employees to focus on their work with the peace of mind of knowing that their children are cared for and followed in the best possible way.

During 2023, the company further demonstrated its commitment to improving this service, adapting it to the needs of employees: a new schedule for the company nursery was implemented. This update extended the opening hours of the facility, which now operates from 7:00 to 18:30, Monday to Friday. This change reflects the company's desire to offer greater flexibility to working parents, covering a wider time slot that better adapts to different shifts and work needs.



Company canteen: A commitment to well-being and quality.

Tosto Group has implemented a high-quality canteen service in its offices in Chieti, Ortona, Mantua and Bucharest, accessible to all employees who wish to use it. This service reflects the company's commitment to prioritizing the quality of food and the well-being of its employees. The canteen has been designed to meet different dietary needs and preferences, offering a variety of healthy, tasty and nutritionally balanced dishes. Collaboration with local and reliable suppliers ensures the use of fresh, high-quality ingredients in all preparations, resulting in delicious and nutritious meals that support the well-being and productivity of employees.

Particular attention has been paid to creating a pleasant and comfortable environment. The canteen has been designed to offer a welcoming and relaxing experience, promoting socialization and relaxation during breaks.

The commitment to an inclusive corporate culture is also reflected in the creation of menus, which take into account the needs of staff with specific religious beliefs or dietary restrictions.

The canteen service is organized in three distinct shifts, allowing employees to use it at 12:00, 13:00 and 14:00. This time division allows for efficient management of the flow of people and guarantees all workers the opportunity to have lunch in a comfortable environment, respecting the company's organizational needs and the different working hours.

Tosto Group is committed to constantly improving the quality of the meals offered, valuing employee feedback to best respond to their ever-changing needs and preferences.

Employee accommodation on free loan.

The Tosto Group demonstrates a concrete commitment to the well-being of its employees through a particularly appreciated housing initiative: the provision of free loan housing for employees who live a considerable distance from the company offices. This measure reflects the company's attention to the practical needs and comfort of its employees, going beyond the simple working relationship.

The guesthouses made available in Chieti, Mantua,

Bucharest and Oltenita are strategically located in proximity to the production plants, significantly reducing travel times and improving the quality of life of employees. Each accommodation is designed to offer a comfortable and functional environment, equipped with all essential services, including basic utilities, and complete furniture. The proximity to the plants not only ensures a high level of safety, but also helps to create a sense of corporate community. The allocation of accommodation is managed flexibly, taking into account individual needs and the expected duration of employment at the specific location. This personalized approach underlines the attention of the Tosto Group to the different situations of its employees.

This initiative proves to be a powerful incentive to attract talent from different geographical areas, expanding the pool of skills available to the company.

Improving work-life balance through reviewing working hours. In 2023, Tosto Group demonstrated its commitment to employee well-being through a targeted review of working hours, adapting policies to the specific needs of each company in the group. Walter Tosto S.p.A. and WTS GAS S.p.A. have undertaken a participatory process, conducting an employee survey. As a result, new office hours have been implemented from 1 May 2023:

- Monday to Thursday: 8:30-13:00 and 14:00-18:00
- Friday: 8:30-13:00 and 14:00-15:30

These changes reflect the company's focus on improving work-life balance.

Belleli Energy CPE has maintained its existing schedule which shows flexibility in managing personal commitments while maintaining operational efficiency.

- Office hours: 08:10-12:40 and 14:00-17:30
- Flexible entry: 08:10-08:40 and 14:00-14:30, with the possibility of recovery after 17:30

Seastock is keeping its office hours unchanged, proving that stability can be just as beneficial as change when it aligns well with employee needs and business operations:

- Monday to Thursday: 8:00-16:30
- Friday: 8:00-15:10

As regards Walter Tosto WTB, starting from 01.10.2022 the office hours have been changed as follows:

- Monday to Thursday: 8:30-13:30 and 14:00-17:30
- Friday: 8:30-13:30 and 14:00-15:00

It is important to underline that the production activity is carried out according to two types of timetable:

- Daily shift production: 07:30 - 12:00; 13:30 - 17:00
- Three shift production: 06:00-14:00; 14:00-22:00; 22:00-06:00 (where necessary)

Tosto Group's diversified approach to working hours demonstrates its ability to adapt to the specific needs of each business reality, while always keeping employee well-being at the center. This flexibility extends not only to the offices but also to production, ensuring efficient operations that are at the same time respectful of workers' needs.

Flexible benefits

Walter Tosto S.p.A. and Belleli Energy C.P.E. S.r.l., in line with the provisions of the new National Collective Bargaining Agreement for the Metalworking Industry for the year 2023, continued to implement a welfare initiative that reflects its commitment to the well-being and satisfaction of its employees. The company offered employees the opportunity to customize the way they use a benefit worth €200.00.

This initiative stands out for its flexibility, allowing employees to choose between different options based on their personal needs and preferences. The alternatives offered include:

- Gasoline vouchers
- Shopping vouchers
- Allocation of the amount to the Cometa supplementary pension fund
- Contribution to the Metasalute integrated healthcare plan

The variety of options offered demonstrates the company's understanding of the different needs that can characterize the lives of its employees. Whether it is support for daily expenses, such as grocery or petrol vouchers, or a long-term investment for the future, such as supplementary pension provision, each employee has the opportunity to direct this benefit towards the area that he considers most relevant for his well-being.

The inclusion of Metasalute among the options also underlines the Tosto Group's attention to the health of its employees, offering the possibility of strengthening their supplementary health coverage. This not only contributes to greater peace of mind in case of medical needs, but also promotes a corporate culture oriented towards prevention and overall well-being.

Supplementary pension. Walter Tosto S.p.A. and Belleli Energy C.P.E. S.r.l. recognize the importance of long-term financial security for their employees by actively promoting membership in supplementary pension funds. In line with the National Collective Labor Agreement (CCNL), the company not only encourages employee participation in these funds, but also contributes directly to them.

This supplementary pension initiative reflects the company's concrete commitment to supporting the financial well-being of its employees beyond the horizon of active working life. By offering this opportunity, companies help employees build a more financially solid and serene future, demonstrating a long-term vision in human resources management.

FRINGE BENEFIT

1) Fuel vouchers for employees

In February 2023, in response to the economic challenges caused by the Russian-Ukrainian war, inflation and high energy prices, Belleli Energy CPE demonstrated its concrete commitment to employee well-being. Taking advantage of the opportunity offered by Legislative Decree no. 5/2023 (the so-called "Transparency Decree"), the company issued a fuel voucher worth € 200.00 net to each employee in force as of February 1, 2023.

This initiative included:

All full-time and part-time employees

Workers with temporary employment contracts

Personnel who worked in the period 01/07/2022—31/12/2022 with a monthly average of at least 130 hours

2) Employee support in response to high prices

During 2023, Tosto Group once again demonstrated its commitment to the well-being of its employees, implementing a significant welfare initiative in response to the challenges economic challenges faced by families.

Taking advantage of the opportunity offered by the "Labour Decree" (Legislative Decree no. 48/2023, converted into Law no. 85/2023), the company provided a substantial benefit to employees with dependent children. This measure provided for the provision of 500 euros net for each dependent child, up to a maximum of 2,500 euros, with particular attention to parents of university students.

3) University of Teramo: Scholarships

Among the welfare initiatives, the Tosto Group has also implemented programs that intersect with professional development, such as scholarships for specialized degree courses. For more details, see the section "Skills for the Future".

AGREEMENTS FOR THE BENEFIT OF EMPLOYEES

1) Tax assistance for employees: Agreement with CAF Coldiretti of Mantua

As part of its corporate welfare program, Belleli Energy CPE has entered into an agreement with CAF Coldiretti of Mantua to offer its employees a professional tax assistance service. This initiative allows employees to access qualified support for the compilation and submission of tax returns.

The service aims to simplify employee tax compliance, ensuring accuracy and peace of mind during tax filing time. By making this type of assistance easier to access, the company demonstrates its commitment to providing practical solutions to the daily needs of its employees.

2) Facilitating access to credit for the purchase of a first home

As part of its welfare initiatives, the Tosto Group collaborated with BPER Banca SPA in July 2023 to offer its employees access to mortgages at advantageous conditions for home purchases. The offer, which included a fixed rate of 3.25% for 30 years, represents concrete support for employees in achieving the important goal of purchasing a home. This initiative demonstrates the Group's attention to the personal needs of employees, extending its commitment to their well-being beyond the workplace.

3) Agreement with Credem Banca S.p.A.

The Group has entered into an agreement with Credem Banca S.p.A. with features and benefits for the benefit of its employees.

Through this collaboration with Credem Banca, all employees can access a series of personalized financial services, specifically designed to meet their needs and requirements. The agreement offers special conditions and benefits for opening current accounts, credit cards, loans and other financial solutions.

STAFF EVALUATION AND DEVELOPMENT

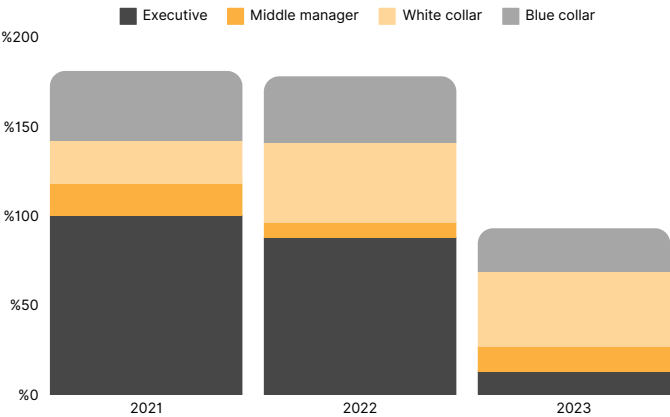
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In the Tosto Group, meritocracy is a fundamental pillar in human resources management. It not only guides decisions related to professional development, but also significantly impacts career opportunities within the company.

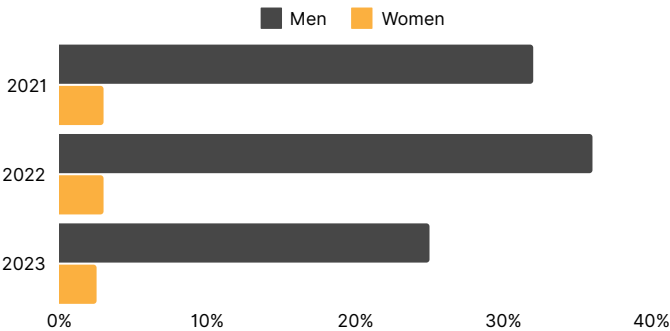
This commitment is reflected in the constant attention paid to the valorization of merit, with remuneration systems that are periodically updated to adequately reflect the results achieved by individual employees. Remuneration is not only linked to quantitative results, but also takes into account the quality of the professional contribution provided, as well as the potential for development of the person within the organization.

During 2023, this commitment materialized in the analysis and evaluation of 309 people, equal to 28% of the employees of all the companies taken into consideration. This process involved all job categories, from managers to executives, from clerks to workers, demonstrating a holistic approach that goes beyond roles and titles.

Employees evaluated by professional category (%)



Employees assessed by gender 2021-2023 (%)



HEALTH SURVEILLANCE

3-3

403-3

Tosto Group implements a rigorous health surveillance program to protect the health of all its employees. This program is based on a health protocol developed by the competent doctor based on the assessment of the specific risks of each work activity.

Key elements of the program:

- Annual Medical Examinations: All workers undergo annual medical examinations.
- Privacy and data management: Health records are stored in closed archives within the infirmary, accessible only to the competent doctor, in full respect of workers' privacy.
- Reporting and collaboration: The competent doctor, who also holds the qualification of authorised doctor, provides an annual detailed report on health surveillance to the main actors of the Safety Management System (SGS), including the Prevention and Protection Service (SPP), the Workers' Safety Representatives (RLS), the Qualified Expert and the Functional Delegate.

Occupational Diseases

Tosto Group closely monitors the incidence of occupational diseases as an integral part of its commitment to worker health and safety. In the three-year period 2021-2023, Walter Tosto S.p.A. and WTS GAS S.p.A. recorded cases of occupational diseases, while the other companies in the Group reported no cases.

For Walter Tosto S.p.A., the data are as follows:

- 2021: 4 reported, 1 registrable, 1 rejected, 2 under evaluation
- 2022: 7 reported, 1 registrable, 4 rejected, 2 under evaluation
- 2023: 5 reported, 0 registrable, 3 rejected, 2 under evaluation

For WTS GAS S.p.A., the data are as follows:
2023: 1 reported, 0 registrable, 1 rejected.

The types of occupational diseases reported and found are exclusively linked to physical agents.

Tosto Group takes this data very seriously and is working to understand the underlying causes and implement additional preventive measures.

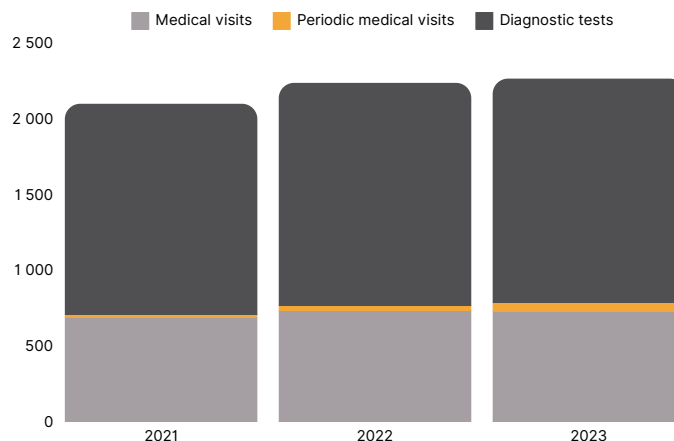
Belleli Energy CPE Safety Incentive Program

At the Mantua plant, Belleli Energy CPE has implemented an innovative incentive program aimed at strengthening the safety culture and reducing accidents.

The program, structured on a six-monthly basis, has a target of a maximum of 5 accidents per six-month period. If this target is reached, all production employees, both direct and indirect, receive a bonus of 500 euros. For each accident that occurs, the bonus is reduced by 100 euros.

This incentive system, unique in the Tosto Group, covers the two semesters of the calendar year: from January 1st to June 30th and from July 1st to December 31st. The initiative not only aims to reduce accidents, but also to promote greater awareness and collective responsibility in terms of safety at work.

Medical visits 2021-2023 (n.)



WORKER PARTICIPATION AND CONSULTATION

3-3 403-4

The Tosto Group actively promotes worker involvement in health and safety management through:

- Direct comparison: Dialogue in the field at the workshops with supervisors and the prevention and protection service.
- Representation: Involvement of designated RLSs in official meetings (COVID-19 committee, periodic meetings pursuant to art. 35 Legislative Decree 81/08).
- Individual consultations: The competent doctor acts as a collector for individual requests from workers during health surveillance visits.
- Formalized procedures: Implementation of a specific procedure for managing the workers' consultation and participation process.
- Anonymous Reports: Ability to report critical issues anonymously to ensure maximum freedom of expression.

HEALTH PROMOTION

3-3 403-6

Tosto Group goes beyond mere regulatory compliance, actively promoting employee well-being. A concrete example is the presence of equipped fitness areas in the Chieti WT2 and Bucharest plants, accessible free of charge to all employees. This initiative underlines the Group's commitment to promoting a healthy lifestyle and a balance between work and personal well-being.

ABSENTEEISM

3-3

403-9

403-10

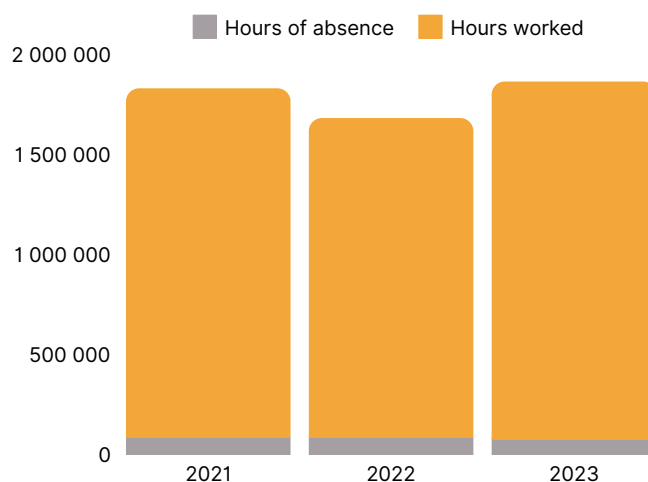
The absenteeism rate is calculated as the ratio of employee absence hours to the hours worked during the year. This percentage for the year 2023 is 4.3%, and includes different types of absences. The main causes of absence include illnesses, both short and long, and work-related injuries, including recovery periods and any relapses. Leave for medical visits and blood donations are also considered, recognizing the importance of employee health and their contribution to the community.

The calculation also takes into account union leave and various forms of leave, such as parental leave for bereavement or illness and extraordinary leave provided by law. Paid and unpaid leave are also included, as well as leave granted under Law 104. Finally, the rate takes into account unjustified absences, disciplinary suspensions and tardiness, thus offering a complete picture of the different reasons that can lead to absence from the workplace.

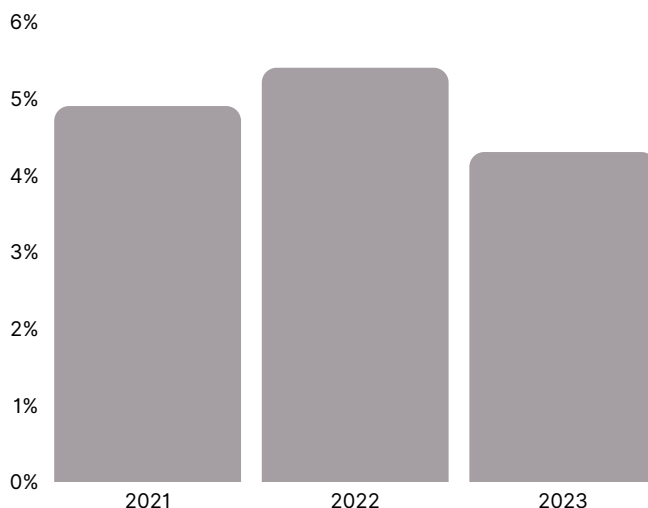
Absences due to holidays, public holidays, ROL permits, compulsory maternity/paternity leave, optional leave, breastfeeding, and other types of absences not directly related to health problems or personal unforeseen events are excluded from the calculation.

The data shows a positive trend in the reduction of the absenteeism rate from 2021 to 2023; this reduction in 2023 is particularly notable considering that the hours worked have increased compared to previous years.

Working hours and absences 2021 - 2023 (n.)



Absenteeism rate 2021 - 2023 (n.)



Use methodological

Use methodological

2-1 2-2 2-3 2-4 2-5 2-14 2-25 2-26 2-27

This document represents the first edition of the Sustainability Report of the Tosto Group, which was created in order to provide a presentation of the company's activities, impacts generated, commitments and objectives in economic, financial, social and environmental terms.

This report has been prepared in accordance with the "GRI Sustainability Reporting Standards" of the Global Reporting Initiative (GRI Standards), considering the latest updates required by the "GRI Universal standards 2021" and the sector standard "GRI 11: Oil and Gas Sector 2021". The document will be published annually.

The Tosto Group pursues the objective of incorporating sustainability into the strategy of its companies, in line with the Development Goals (SDGs) established by the United Nations in the 2030 Agenda for Sustainable Development and with the principles of the United Nations Global Compact.

The function responsible for preparing this document is the Sustainability Office.
The report was approved by administrator Luca Tosto.

This document has not been verified by an independent third party.

The reporting perimeter

With regard to economic data, the reporting perimeter does not coincide with the consolidation area in the Consolidated Financial Statements of the Tosto Group; all data refer solely to the activities of the companies Walter Tosto S.p.A., Walter Tosto WTB S.r.l., Belleli Energy CPE S.r.l., WTS GAS S.p.A. and Seastock S.r.l.

The financial data reflects those reported in the 2023 Financial Statements (from 1 January to 31 December) of the aforementioned companies. The document also contains data for the three-year period 2021-2023 to provide a comparison between the reference year and previous years. Similarly, the qualitative information and quantitative data of social and environmental aspects refer exclusively to the aforementioned Companies.

In defining the contents of the Report, the Group was inspired by the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, verifiability in order to guarantee the quality of the information and the adequacy of the presentation methods.

The Sustainability Report is also available online on the following websites

Walter Tosto S.p.A.
<https://www.waltertosto.it/sostenibilita/>

Walter Tosto WTB S.r.l.
<https://www.wtb.ro/sustainability/>

Belleli Energy CPE S.r.l.
<https://www.belleli.it>

Seastock S.r.l.
<https://www.seastock.it/>

WTS GAS S.p.A.
<https://www.wtsgas.it>

Clarifications and information on the sustainability strategy can be requested from: Sustainability Office (sustainability@waltertosto.it).

We hope that the commitment to reporting can serve as an essential tool for us and for all stakeholders involved, allowing us to understand not only the relevance of the results achieved, but also the quality and ethics of the processes through which these objectives have been achieved.

appendix

Data and Performance Indicators
GRI Content Index
Mapping Table Between GRI 11: Oil and Gas Sector 2021
Topics and Tosto Group's Material Topics
Mapping Table Between SDGs and GRI Standards
Indicators
Global Compact Mapping Table

Data and Performance indicators

MAIN DATA AND INDICATORS - EMPLOYEES				
	u.m.	2021	2022	2023
Total employees	n.	1.036	1.011	1.107
<i>of which women</i>	n.	81	72	70
Average workforce	n.	1.011,27	1.085,24	1.061,09
Employees per company				
Walter Tosto S.p.A.	n.	449	480	496
Walter Tosto WTB S.r.l.	n.	227	197	243
Belleli Energy CPE S.r.l.	n.	297	266	306
WTS GAS S.p.A.	n.	43	49	46
Seastock S.r.l.	n.	20	19	16
Employees by classification				
Managers	n.	9	8	8
Paintings	n.	22	24	22
Employees	n.	280	266	257
Workers	n.	725	713	820
Employees by contract type				
Permanent contract	n.	923	962	906
<i>of which women</i>	n.	64	67	64
Fixed-term contract	n.	113	49	201
Full time contract	n.	1018	994	1086
<i>of which women</i>	n.	72	64	63
Part-time contract	n.	18	17	21
<i>of which women</i>	n.	9	7	7

MAIN DATA AND INDICATORS - EMPLOYEES				
Employees by geographic area	u.m.	2021	2022	2023
Italy	n.	809	814	864
Romania	n.	227	197	243
Employees by gender				
Men	n.	955	939	1037
Women	n.	81	72	70
Entries and Exits				
Total entries	n.	198	133	283
<i>of which women</i>	n.	24	9	16
Hiring rate	%	20	12	27
Hiring rate < 30 years	%	11	6	9
Hiring rate between 30 and 50 years old	%	6	4	15
Hiring rate > 50 years	%	3	2	3
Male Hiring Rate	%	17	11	25
Female Hiring Rate	%	2	1	2
Total Exits	n.	148	152	171
< 30 years	n.	74	53	51
between 30 and 50 years old	n.	36	61	63
> 50 years	n.	38	38	57
Exit rate	%	15	14	16
Exit rate < 30 years	%	7	5	5
Exit rate between 30 and 50 years old	%	4	6	6
Exit rate > 50 years	%	4	4	5
Male exit rate	%	14	13	14
Female exit rate	%	1	1	2
Voluntary exit rate	%	12	10	13
Overall turnover	%	34	26	43

MAIN DATA AND INDICATORS - EMPLOYEES

Employees evaluated	u.m.	2021	2022	2023
Total employees assessed (of which women)	n.	363 (29)	395 (35)	309 (28)
Managers	n.	9	7	1
Paintings	n.	4	2	3
Employees	n.	66	119	107
Workers	n.	284	267	198
Total employees assessed (of which women)	%	35 (3)	39 (3)	28 (3)
Managers	%	100	88	13
Paintings	%	18	8	14
Employees	%	24	45	42
Workers	%	39	37	24
Training				
Training hours	n.	15.691	17.845	90.476
Training Hours for Managers	n.	114	64	120
Training Hours for Managers	n.	266	190	275
Training Hours Employees	n.	2.846	3.708	5.923
Training Hours Workers	n.	12.465	13.883	84.158
Average training hours per employee	n.	15	18	82
Average training hours for men	n.	16	18	86
Average training hours for women	n.	9	14	22
Average training hours for managers	n.	13	8	15
Average training hours for managers	n.	12	8	13
Average training hours Employees	n.	10	14	23
Average training hours for workers	n.	17	19	103
Non-employee workers				
Administered	n.	70	47	38
Co.co.co.	n.	6	7	7

MAIN DATA AND INDICATORS - HSE				
Health and Safety	u.m.	2021	2022	2023
Employee injuries	n.	16	28	28
of which mortals	n.	0	0	0
of which with serious consequences	n.	0	0	0
Employee accident frequency rate		9,16	17,55	15,66
Employee injury severity index		2,96	2,86	2,51
Frequency rate for serious accidents at work (excluding deaths) employees		0	0	0
Frequency rate for deaths due to accidents at work among employees		0	0	0
Energy				
Total energy consumption	GJ	247.466	193.057	181.964
of which natural gas	GJ	118.630	82.445	79.706
of which diesel	GJ	22.406	22.574	19.382
of which gasoline	GJ	562	529	371
of which LPG	GJ	7.788	8.237	8.984
of which district heating	GJ	26.536	14.383	9.269
of which fuel oil	GJ	9	7	9
of which HVO biodiesel	GJ	-	-	216
of which electricity	GJ	66.167	59.019	57.655
of which renewable electricity consumed	GJ	5.368	5.863	6.372

MAIN DATA AND INDICATORS - HSE				
Emissions	u.m.	2021	2022	2023
CO ₂ emissions eq Scope 1, 2 (Location based) and 3	t CO ₂ eq	16.073,7	13.439,1	12.537,8
CO ₂ emissions eq Scope 1	t CO ₂ eq	8.626,7	6.699,2	6.317,2
Emissioni CO ₂ eq Scope 2 - Location based	t CO ₂ eq	7.339,2	6.618,4	6.108,6
CO ₂ emissions eq Scope 2 - Market based	t CO ₂ eq	11.170,5	7.023,9	6.791,2
CO ₂ eq Scope 3 emissions - Business Travel	t CO ₂ eq	107,8	121,5	111,9
Waste				
Total waste production	t	9.447	6.019	5.882
of which non-dangerous	t	8.631	4.981	5.226
of which dangerous	t	817	1.038	656
Water withdrawals				
Water withdrawals	mc	164.269	146.482	171.047
HSE Management				
Medical visits	n.	687	730	729
Periodic medical visits	n.	19	34	59
Diagnostic tests	n.	1.391	1.471	1.475

GRI content index

Statement of use		Walter Tosto S.p.A. has drawn up “in accordance” with the GRI standards for the period 01/01/2022 - 31/12/2022				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard		GRI 11: Oil and Gas Sector 2021				
GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	

GENERAL DISCLOSURE

GRI 2: General Disclosure 2021	2-1 Organizational details	Methodological Note				
	2-2 Entities included in the organization's sustainability reporting	Methodological Note				
	2-3 Reporting period, frequency and contact point	Methodological Note				
	2-4 Restatement of information	Methodological Note				
	2-5 External Assurance	Methodological Note				
	2-6 Activities, value chain and other business relationships	Sustainability Highlights 2022; Identity; Business Model and Operations; Prosperity				
	2-7 Employees	Prosperity				
	2-8 Workers who are not employees	Prosperity				
	2-9 Governance structure and composition	Governance				
	2-10 Nomination and selection of the highest governance body	Governance				
	2-11 Chair of the highest governance body	Governance				
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance				
	2-13 Delegation of responsibility for managing impacts	Governance				
	2-14 Role of the highest governance body in sustainability reporting	Governance; Methodological note				

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	

GENERAL DISCLOSURE

GRI 2: General Disclosure 2021	2-15 Conflicts of interest	Governance				
	2-16 Communication of critical concerns	Governance				
	2-17 Collective knowledge of the highest governance body	Governance				
	2-18 Collective knowledge of the highest governance body	Governance				
	2-19 Remuneration policies	People				
	2-20 Process to determine remuneration	People				
	2-21 Annual total compensation ratio	People				
	2-22 Statement on sustainable development strategy	Letter from the CEO				
	2-23 Policy commitments	Identity; Governance; Impact Materiality; Prosperity; Planet; People				
	2-24 Embedding policy commitments	Identity; Governance; Impact Materiality; Prosperity; Planet; People				
	2-25 Processes to remediate negative impacts	Business Model and Operations; Governance; Planet; People; Methodological Note				
	2-26 Mechanisms for seeking advice and raising concerns	Business Model and Operations; Governance; Planet; People; Methodological Note				
	2-27 Compliance with laws and regulations	Business Model and Operations; Governance; Planet; People; Methodological Note				
	2-28 Membership associations	Governance; Prosperity				
	2-29 Approach to stakeholder engagement	Governance; Prosperity				
	2-30 Collective bargaining agreements	Prosperity				

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	

MATERIAL TOPICS

GRI 3: Material topics 2021	3-1 Process to determine material topics	Impact Materiality				
	3-2 List of material topics	Impact Materiality				
Economic Performance						
GRI 3: Material topics 2021	3-3 Management of material topics	Prosperity				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Prosperity				11.14.2
	201-3 Defined benefit plan obligations and other retirement plans	Prosperity				
	201-4 Financial assistance received from government	Prosperity				11.21.3
Procurement practices						
GRI 3: Material topics 2021	3-3 Management of material topics	Business Model and Operations				11.14.1
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Business Model and Operations				11.14.6
Anti-corruption						
GRI 3: Material topics 2021	3-3 Management of material topics	Prosperity; Governance				11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance Prosperity				11.20.2
	205-3 Confirmed incidents of corruption and actions taken	Governance				11.20.4
Anti-competitive Behavior						
GRI 3: Material topics 2021	3-3 Management of material topics	Governance				11.19.1
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance				11.19.2
Materials						
GRI 3: Material topics 2021	3-3 Management of material topics	Planet				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Planet				

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	
MATERIAL TOPICS						
Energy						
GRI 3: Material topics 2021	3-3 Management of material topics	Planet				11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Planet				11.1.2
	302-3 Energy intensity	Planet				11.1.4
	302-4 Reduction of energy consumption	Planet				
Water and Effluents						
GRI 3: Material topics 2021	3-3 Management of material topics	Planet				11.6.1
GRI 303: Water and Effluents 2018	303-5 Water consumption	Planet				11.6.6
Emissions						
GRI 3: Material topics 2021	3-3 Management of material topics	Planet				11.1.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Planet				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Planet				11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	Planet				11.1.7
	305-4 GHG emissions intensity	Planet				11.1.8
Waste						
GRI 3: Material topics 2021	3-3 Management of material topics	Planet				11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Planet				11.5.2
	306-2 Management of significant impacts related to waste	Planet				11.5.3
	306-3 Management of significant wasterelated impacts	Planet				11.5.4
	306-4 Waste diverted from disposal	Planet				11.5.5
	306-5 Waste directed to disposal	Planet				11.5.6

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	
MATERIAL TOPICS						
Employment						
GRI 3: Material topics 2021	3-3 Management of material topics	Prosperity; People				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Prosperity				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People				11.10.3
	401-3 Parental leave	People				11.10.4; 11.11.3
Occupational Health and Safety						
GRI 3: Material topics 2021	3-3 Management of material topics	People				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	People				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	People				11.9.3
	403-3 Occupational health services	People				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	People				11.9.5
	403-5 Worker training on occupational health and safety	People				11.9.6
	403-6 Promotion of worker health	People				11.9.7
	403-8 Workers covered by an occupational health and safety management system	People				11.9.9
	403-9 Work-related injuries	People				11.9.10
	403-10 Work-related ill health	People				11.9.11
Training and education						
GRI 3: Material topics 2021	3-3 Management of material topics	People				11.10.1

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	
MATERIAL TOPICS						
Training and education						
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People				11.10.6; 11.11.4
	404-3 Percentage of employees receiving regular performance and career development reviews	People				
Diversity and equal opportunity						
GRI 3: Material topics 2021	3-3 Management of material topics	Governance; Prosperity; People				11.11.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance; Prosperity; People				11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	People				11.11.6
Non-discrimination						
GRI 3: Material topics 2021	3-3 Management of material topics	People				11.11.1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	People				11.11.7
Freedom of association and collective bargaining						
GRI 3: Material topics 2021	3-3 Management of material topics	People				11.13.1
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	People				11.13.2
Child labor						
GRI 3: Material topics 2021	3-3 Management of material topics	People				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	People				

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENTS OMISSION	REASON	EXPLANATION	

MATERIAL TOPICS

Forced or compulsory labor						
GRI 3: Material topics 2021	3-3 Management of material topics	People				11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	People				11.12.2
Local Communities						
GRI 3: Material topics 2021	3-3 Management of material topics	Prosperity; People				11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Prosperity; People				11.15.3
Customer Health and Safety						
GRI 3: Material topics 2021	3-3 Management of material topics	Business Model and Operations				11.3.1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Business Model and Operations				11.3.3
Customer Privacy						
GRI 3: Material topics 2021	3-3 Management of material topics	Governance				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance				

MATERIAL TOPICS NOT ASSOCIATED WITH GRI STANDARD

TOPIC	EXPLANATION
GRI Standard Sector Title	
Sustainable innovation	Cross-cutting topic that can be related to different aspects of sustainability



MAPPING TABLE BETWEEN GRI 11: OIL AND GAS SECTOR 2021 TOPICS AND TOSTO GROUP'S MATERIAL TOPICS

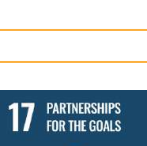
GRI Material Topics 11: Oil and Gas Sector 2021		Tosto Group Material Topics
11.1	GHG emissions	Climate change and energy transition
11.2	Climate adaptation, resilience and transition	Climate change and energy transition
11.3	Air emissions	-
11.4	Biodiversity	-
11.5	Waste	Waste and Hazardous Substances Management
11.6	Water and effluents	-
11.7	Closure and rehabilitation	-
11.8	Asset integrity and critical incident management	Product quality and safety
11.9	Occupational health and safety	Health and safety at work
11.10	Employment practices	Employment and development of people
11.11	Non-discrimination and equal opportunity	Non-discrimination and equal opportunities
11.12	Forced labor and modern slavery	Ethics and Integrity
11.13	Freedom of association and collective bargaining	-

GRI Material Topics 11: Oil and Gas Sector 2021		Tosto Group Material Topics
11.14	Economic impacts	Wealth Generation
11.15	Local communities	Local communities and territorial development
11.16	Land and resource rights	-
11.17	Rights of indigenous peoples	-
11.18	Conflict and security	-
11.19	Anti-competitive behavior	Ethics and Integrity
11.20	Anti-corruption	Ethics and Integrity
11.21	Payments to governments	-
11.22	Public Policy	-

MAPPING TABLE BETWEEN SDGS AND GRI STANDARDS INDICATORS

	GOAL 1 – No poverty End poverty in all its forms everywhere.	
	TOPIC	STANDARD GRI INDICATOR
	Wealth Generation Local Communities and Territorial Development	3-3; 201-1; 201-4; 3-3; 201-1; 413-1;
	GOAL 2 – Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	
	TOPIC	STANDARD GRI INDICATOR
	Circular Economy Sustainable Supply Chain	3-3; 306-1; 306-2; 306-3; 306-4; 306-5 3-3; 204-1
	GOAL 3 – Good Health and well-being Ensure healthy lives and promote well-being for all at all ages	
	TOPIC	STANDARD GRI INDICATOR
	Health and safety at work Local communities and territorial development Waste and hazardous substance management and product safety	3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-8; 403-9; 403-10 3-3; 201-1 3-3; 306-1; 306-2; 306-3; 306-4; 306-5
	GOAL 4 – Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	
	TOPIC	STANDARD GRI INDICATOR
	Skills for the future Local communities and territorial development	3-3; 403-5; 404-1; 413-1 3-3; 201-1
	GOAL 5 – Gender equality Achieve gender equality and empower all women and girls.	
	TOPIC	STANDARD GRI INDICATOR
	Skills for the future Non-discrimination and equal opportunities Employment and development of people	3-3; 403-5; 404-1; 413-1 3-3; 401-3; 405-1; 405-2; 406-1 3-3; 401-1; 403-5; 404-1; 404-3; 405-1
	GOAL 6 – Clean water and sanitation Ensure availability and sustainable management of water and sanitation for all.	
	TOPIC	STANDARD GRI INDICATOR
	Circular economy Waste and hazardous substance management	3-3; 306-1; 306-2; 306-3; 306-4; 306-5
	GOAL 7 – Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all.	
	TOPIC	STANDARD GRI INDICATOR
	Climate change and energy transition Energy efficiency Sustainable innovation	3-3; 305-1; 305-2; 305-3; 305-4 3-3; 302-1; 302-3; 302-4 -

	GOAL 8 – Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Ethics and integrity</td><td>3-3; 205-1; 205-3; 206-1</td></tr> <tr> <td>Employment and people development</td><td>3-3; 401-1; 403-5; 404-1; 404- 3;405-1; 407-1, 408-1, 409-1</td></tr> <tr> <td>Health and safety at work</td><td>3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-8; 403-9; 403-10</td></tr> <tr> <td>Sustainable supply chain</td><td>3-3; 204-1</td></tr> <tr> <td>Wealth generation</td><td>3-3; 201-1; 201-4</td></tr> <tr> <td>Local communities and territorial development</td><td>3-3; 201-1</td></tr> <tr> <td>Non-discrimination and equal opportunities</td><td>3-3; 401-3; 405-1; 405-2</td></tr> <tr> <td>Product quality and safety</td><td>3-3- 416-1</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Ethics and integrity	3-3; 205-1; 205-3; 206-1	Employment and people development	3-3; 401-1; 403-5; 404-1; 404- 3;405-1; 407-1, 408-1, 409-1	Health and safety at work	3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-8; 403-9; 403-10	Sustainable supply chain	3-3; 204-1	Wealth generation	3-3; 201-1; 201-4	Local communities and territorial development	3-3; 201-1	Non-discrimination and equal opportunities	3-3; 401-3; 405-1; 405-2	Product quality and safety	3-3- 416-1
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	GOAL 9 – Industry, innovation and infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Sustainable Innovation</td><td>-</td></tr> <tr> <td>Skills for the Future</td><td>3-3; 403-5; 404-1; 413-1</td></tr> <tr> <td>Cyber Security and Data Protection</td><td>3-3; 418-1</td></tr> <tr> <td>Product Quality and Safety</td><td>3-3; 416-1</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Sustainable Innovation	-	Skills for the Future	3-3; 403-5; 404-1; 413-1	Cyber Security and Data Protection	3-3; 418-1	Product Quality and Safety	3-3; 416-1								
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	GOAL 10 – Reduce inequalities Reduce inequality within and among countries. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Ethics and integrity</td><td>3-3; 205-1; 205-3; 206-1</td></tr> <tr> <td>Sustainable supply chain</td><td>3-3; 204-1</td></tr> <tr> <td>Wealth generation</td><td>3-3; 201-1; 201-4</td></tr> <tr> <td>Non-discrimination and equal opportunities</td><td>3-3; 401-3; 405-1; 405-2; 406-1</td></tr> <tr> <td>Employment and people development</td><td>3-3; 401-1; 403-5; 404-1; 404- 3;405-1</td></tr> <tr> <td>Local communities and territorial development</td><td>3-3; 201-1</td></tr> <tr> <td>Skills for the future</td><td>3-3; 403-5; 404-1; 413-1</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Ethics and integrity	3-3; 205-1; 205-3; 206-1	Sustainable supply chain	3-3; 204-1	Wealth generation	3-3; 201-1; 201-4	Non-discrimination and equal opportunities	3-3; 401-3; 405-1; 405-2; 406-1	Employment and people development	3-3; 401-1; 403-5; 404-1; 404- 3;405-1	Local communities and territorial development	3-3; 201-1	Skills for the future	3-3; 403-5; 404-1; 413-1		
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	GOAL 11 – Sustainable cities and communities Make cities and human settlements inclusive, safe, resilient and sustainable. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Local communities and territorial development</td><td>3-3; 201-1</td></tr> <tr> <td>Waste and hazardous substance management</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Local communities and territorial development	3-3; 201-1	Waste and hazardous substance management	3-3; 306-1; 306-2; 306-3; 306-4; 306-5												
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	GOAL 12 – Responsible consumption and production Ensure sustainable consumption and production patterns. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Sustainable supply chain</td><td>3-3; 204-1</td></tr> <tr> <td>Energy efficiency</td><td>3-3; 302-1; 302-3; 302-4</td></tr> <tr> <td>Circular economy</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> <tr> <td>Waste and hazardous substance management</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> <tr> <td>Sustainable innovation</td><td>-</td></tr> <tr> <td>Ethics and integrity</td><td>3-3; 205-1; 205-3; 206-1</td></tr> <tr> <td>Product quality and safety</td><td>3-3; 416-1</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Sustainable supply chain	3-3; 204-1	Energy efficiency	3-3; 302-1; 302-3; 302-4	Circular economy	3-3; 306-1; 306-2; 306-3; 306-4; 306-5	Waste and hazardous substance management	3-3; 306-1; 306-2; 306-3; 306-4; 306-5	Sustainable innovation	-	Ethics and integrity	3-3; 205-1; 205-3; 206-1	Product quality and safety	3-3; 416-1		
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	GOAL 13 – Climate Action Take urgent action to combat climate change and its impacts. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Climate change and energy transition</td><td>3-3; 305-1; 305-2; 305-3; 305-4</td></tr> <tr> <td>Energy efficiency</td><td>3-3; 302-1; 302-3; 302-4</td></tr> <tr> <td>Sustainable innovation</td><td>-</td></tr> <tr> <td>Sustainable supply chain</td><td>3-3; 204-1</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Climate change and energy transition	3-3; 305-1; 305-2; 305-3; 305-4	Energy efficiency	3-3; 302-1; 302-3; 302-4	Sustainable innovation	-	Sustainable supply chain	3-3; 204-1		
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	GOAL 14 – Life below water Conserve and sustainably use the oceans, seas and marine resources for sustainable development. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Climate change and energy transition</td><td>3-3; 305-1; 305-2; 305-3; 305-4</td></tr> <tr> <td>Circular economy</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> <tr> <td>Waste and hazardous substance management</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Climate change and energy transition	3-3; 305-1; 305-2; 305-3; 305-4	Circular economy	3-3; 306-1; 306-2; 306-3; 306-4; 306-5	Waste and hazardous substance management	3-3; 306-1; 306-2; 306-3; 306-4; 306-5				
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	GOAL 15 – Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Climate change and energy transition</td><td>3-3; 305-1; 305-2; 305-3; 305-4</td></tr> <tr> <td>Circular economy</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> <tr> <td>Waste and hazardous substance management</td><td>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Climate change and energy transition	3-3; 305-1; 305-2; 305-3; 305-4	Circular economy	3-3; 306-1; 306-2; 306-3; 306-4; 306-5	Waste and hazardous substance management	3-3; 306-1; 306-2; 306-3; 306-4; 306-5				
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	GOAL 16 – Peace, justice and strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Ethics and integrity</td><td>3-3; 205-1; 205-3; 206-1; 407-1, 408-1, 409-1</td></tr> <tr> <td>Sustainable supply chain</td><td>3-3; 204-1</td></tr> <tr> <td>Cyber security and data protection</td><td>3-3; 418-1</td></tr> <tr> <td>Product quality and safety</td><td>3-3; 416-1</td></tr> <tr> <td>Local communities and territorial development</td><td>3-3; 201-1</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Ethics and integrity	3-3; 205-1; 205-3; 206-1; 407-1, 408-1, 409-1	Sustainable supply chain	3-3; 204-1	Cyber security and data protection	3-3; 418-1	Product quality and safety	3-3; 416-1	Local communities and territorial development	3-3; 201-1
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	GOAL 17 – Partnership for goals Strengthen the means of implementation and revitalize the global partnership for sustainable development. <table border="1"> <thead> <tr> <th>TOPIC</th><th>STANDARD GRI INDICATOR</th></tr> </thead> <tbody> <tr> <td>Ethics and Integrity</td><td>3-3; 205-1; 205-3; 206-1</td></tr> <tr> <td>Sustainable Innovation</td><td>-</td></tr> <tr> <td>Skills for the Future</td><td>3-3; 403-5; 404-1; 413-1</td></tr> <tr> <td>Cyber Security and Data Protection</td><td>3-3; 418-1</td></tr> <tr> <td>Wealth Generation</td><td>3-3; 201-1; 201-4</td></tr> </tbody> </table>	TOPIC	STANDARD GRI INDICATOR	Ethics and Integrity	3-3; 205-1; 205-3; 206-1	Sustainable Innovation	-	Skills for the Future	3-3; 403-5; 404-1; 413-1	Cyber Security and Data Protection	3-3; 418-1	Wealth Generation	3-3; 201-1; 201-4
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GLOBAL COMPACT MAPPING TABLE

The management model of the companies of the Tosto Group is inspired by their respective Codes of Ethics and is based on management policies founded on the principles set out in the Universal Declaration of Human Rights and the Ten Principles of the United Nations Global Compact.

The Codes of Ethics can be consulted at the following addresses:

WALTER TOSTO S.p.A.
https://www.waltertosto.it/wp-content/uploads/2018/04/Codice_Etico_Walter_Tosto_SpA_estratto_dal_Modello_231_Walter_Tosto_SpA.pdf

WALTER TOSTO WTB S.r.l.
https://www.wtb.ro/wp-content/uploads/2022/05/Code_of_Ethics_WTB.pdf

BELLELI ENERGY CPE S.r.l.
https://www.belleli.it/wp-content/uploads/2018/04/BE_CODICE-ETICO.pdf

WTS GAS S.p.A.
<https://www.wtsgas.it/codice-etico/>

SEASTOCK S.r.l.
<https://www.seastock.it/>



PRINCIPLES 1 and 2
Businesses are required to promote and respect universally recognized human rights within their spheres of influence and to ensure that they are not, even indirectly, complicit in human rights abuses.

Respect for human rights is based on the dignity of every human being and on the responsibility of companies to contribute to the well-being of individuals and local communities. This approach is rooted and widespread in the corporate culture of the Tosto Group. The commitment begins with relationships with collaborators and extends to those with local communities, governments, suppliers and all business partners, as well as security activities and workers' rights. This commitment has as its reference framework the United Nations Universal Declaration of Human Rights and is strengthened by adherence to the 10 principles of the Global Compact.

- Human Rights
- Dignity and Equality
- The value of diversity



LABOUR

PRINCIPLES 3,4,5,6

Businesses are required to support workers' freedom of association and recognize the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective elimination of child labor; and the elimination of all forms of discrimination in respect of employment and occupation.



ENVIRONMENT

PRINCIPLES 7, 8, 9

Businesses are required to support a preventive approach to environmental challenges; to undertake initiatives that promote greater environmental responsibility; and to encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

PRINCIPLE 10

Businesses are committed to combating corruption in all its forms, including extortion and bribery.

The Tosto Group rejects any form of discrimination based on gender, age, ethnic or national origin, skin color, health status and different physical or mental abilities, marital status, sexual orientation, religious belief, political opinions and social origin. The Group is committed to developing and maintaining an inclusive work environment, free from any form of violence or harassment. Furthermore, it is engaged in initiatives to reconcile life and work. The right to form trade unions, to join them and to carry out trade union activities is guaranteed. Employees are guaranteed training and professional development paths.

- Employment
- Together in Safety
- Skills for the Future

The Group is committed to reducing its direct impacts by reducing consumption and waste produced, and to expanding the use of energy from renewable sources; to protecting the environment and identifying in environmental management systems, the tool for implementing and monitoring the actions taken to implement the commitments undertaken. The Group is committed to developing new technologies for energy efficiency, to contribute to the containment of greenhouse gas emissions, and to increasing the performance and quality of its products. The Group is committed to raising awareness of its value chain also on environmental aspects.

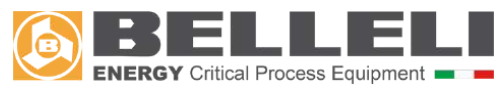
- Environmental Management
- Fighting climate change
- Integrated approach to circular economy
- Water

The Tosto Group disseminates ethical principles and corporate values and is committed to providing training on legality and anti-corruption. The Group carries out reputational checks on suppliers and third parties. No cases relating to corruption were reported in 2023 either.

- Tax Compliance and Transparency
- Risk Mitigation

***We would like to thank all the colleagues
whose valuable collaboration made the
preparation of this document possible.***

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Walter Tosto S.p.A.



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