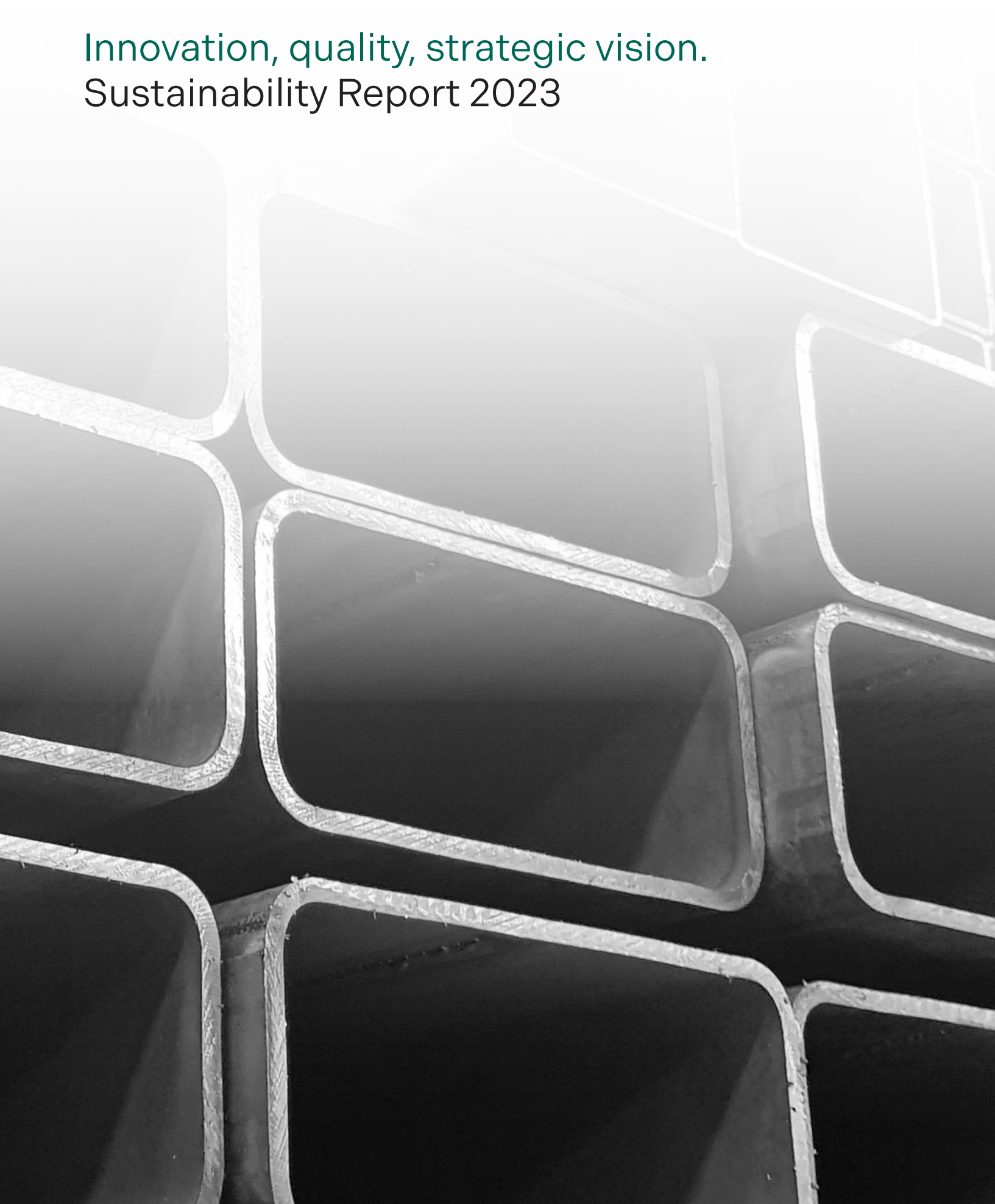


PADANA TUBI
& PROFILATI ACCIAIO S.P.A.

Innovation, quality, strategic vision.
Sustainability Report 2023



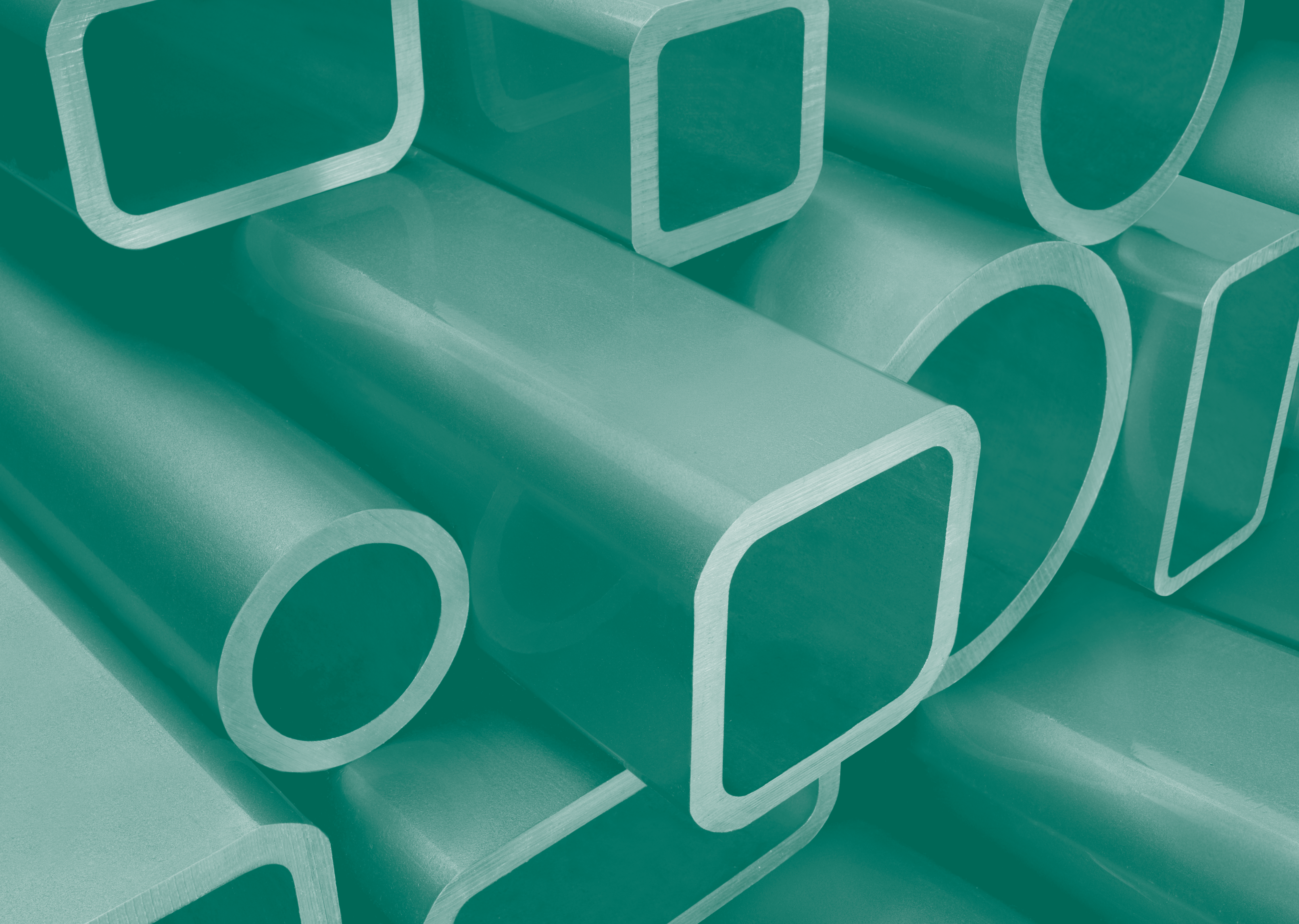
PADANA TUBI
& PROFILATI ACCIAIO S.P.A.

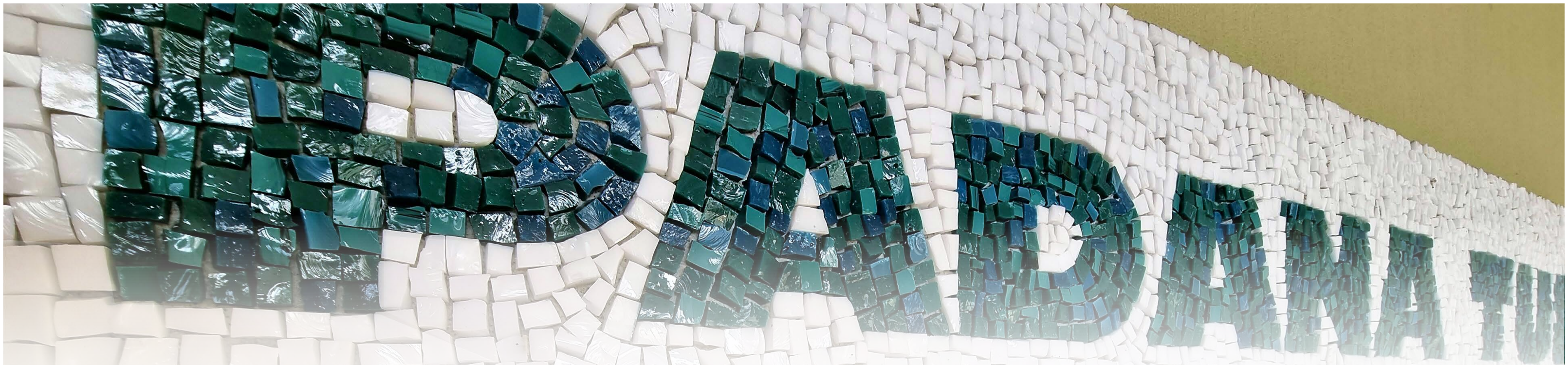
Innovation, quality, strategic vision.
Sustainability Report 2023

Index

6	Lettera to stakeholders
8	Highlights Social Sustainability Environmental Sustainability Economic Sustainability
10	1. Corporate identity Padana Tubi: responsibility, commitment and trust
12	The journey of growth: origins and evolution
14	Market presence and Business Model Locations Countries served Products and services The production process
22	Responsible Governance and regulatory compliance Organisational structure Organisational Chart Ethics, integrity and transparency The internal control system Management systems and certifications
32	2. Padana Tubi's sustainable strategy The path taken
34	Stakeholders mapping and engagement
36	Materiality analysis
38	Sustainable Development Goals (SDGs): Padana Tubi's Contribution Economic-financial results Generated and distributed economic value
42	3. Quality as a priority
44	The quality management system Quality, traceability, reliability, and product safety
47	Client orientation: a relationship built on trust
48	Supplier selection and evaluation: from quality to sustainability principles

50	4. The centrality of people
52	Enhancement of resources and workforce composition
58	Training as a tool for professional growth
59	Diversity, inclusion and equal opportunity
60	Health and safety at work: commitment, principles and responsibilities The Prevention and Protection service Safety Training
63	The relationship with the territory Social initiatives and activities: concrete support
66	5. Protection of the environment and natural resources Environmental Responsibility
68	Padana Tubi's production: the role of steel and circular economy practices Recycled materials
70	Waste management
71	Water consumption
72	Energy management and emissions Energy intensity
74	Atmospheric emissions
77	Methodological note The document References used
78	Appendix GRI Content Index and Correlation Table





Letter to stakeholders

Dear Readers,
We are pleased to present the new Padana Tubi Sustainability Report for 2023, which comprehensively details our activities in the ESG areas according to the Global Reporting Initiative (GRI) standards.

With an overarching commitment to sustainability, we share with our stakeholders the environmental impact of our business activities, initiatives and goals for health and safety at work, economic and financial underpinnings and indicators and the principles that inspire corporate governance.

Over the past year, various global geopolitical events have created a climate of uncertainty and negatively impacted economic systems.

The ongoing war in Ukraine, leading Europe to extend economic sanctions against Russia, has resulted in additional restrictions in the steel sector.

In the second half of the year, the Middle East experienced destabilisation due to escalation of conflict. Consequently, new questions have arisen regarding energy products, primarily gas and oil, with concerns about potential price issues. Navigation

in the Suez Canal has been, and continues to be, threatened by military attacks, leading to extended shipping routes to Europe and increased international freight costs, including for steel imports and exports.

China’s industrial and infrastructural growth has not shown the expected vigour following the end of the Covid pandemic, and international prices of steel as well as related raw materials are heavily negatively affected by the weakness of demand and production in China and throughout the Far East.

The increase in interest rates, which began in the second half of 2022 and continued into 2023 to contain the growth of inflation, has exacerbated the crisis in the construction sector and many steel-consuming industrial sectors across Europe.

While 2022 was characterised by the uncontrolled exponential growth in gas and electricity prices, 2023, partly due to reductions in industrial consumption, has seen a progressive and lasting decline in prices, benefiting industrial costs.

In this complex scenario, the role of the enterprise as a social and environmental community is becoming increasingly evident. It is important and necessary

to consolidate virtuous relationships with its territory in a broad sense, to value the skills of the workers and protect their safety, to seize improvement opportunities from clients and suppliers, and to manage business activities in an ethical and transparent manner.

As you will see upon reading this report, the issues we have identified as “material” have prompted us to define objectives and embark on improvement paths in significant environmental, social, and governance areas.

Among these, to name a few, the process of obtaining EPD (Environmental Product Declaration) certifications for all product families has been successfully completed. The official declarations from the relevant authority were issued at the beginning of January 2024, underlining the company’s commitment to monitoring its environmental and social impact.

Audits are continuously carried out to maintain all the organisation, product, and process certifications obtained over the years (ISO 9001, ISO 45001, ISO 14001, ISO 14064).

The attention and vigilance on workplace safety are extremely high, which is an absolute priority for the entire organisation. This includes widespread training,

continuous exchanges, and discussions between the various company entities and workers to promote increasing awareness and the dissemination of a safety culture.

Europe is clearly pursuing a path of change in social, environmental, and economic dynamics, increasingly driven by the growing awareness of new generations, who anticipate and lead the choices and methods of institutions.

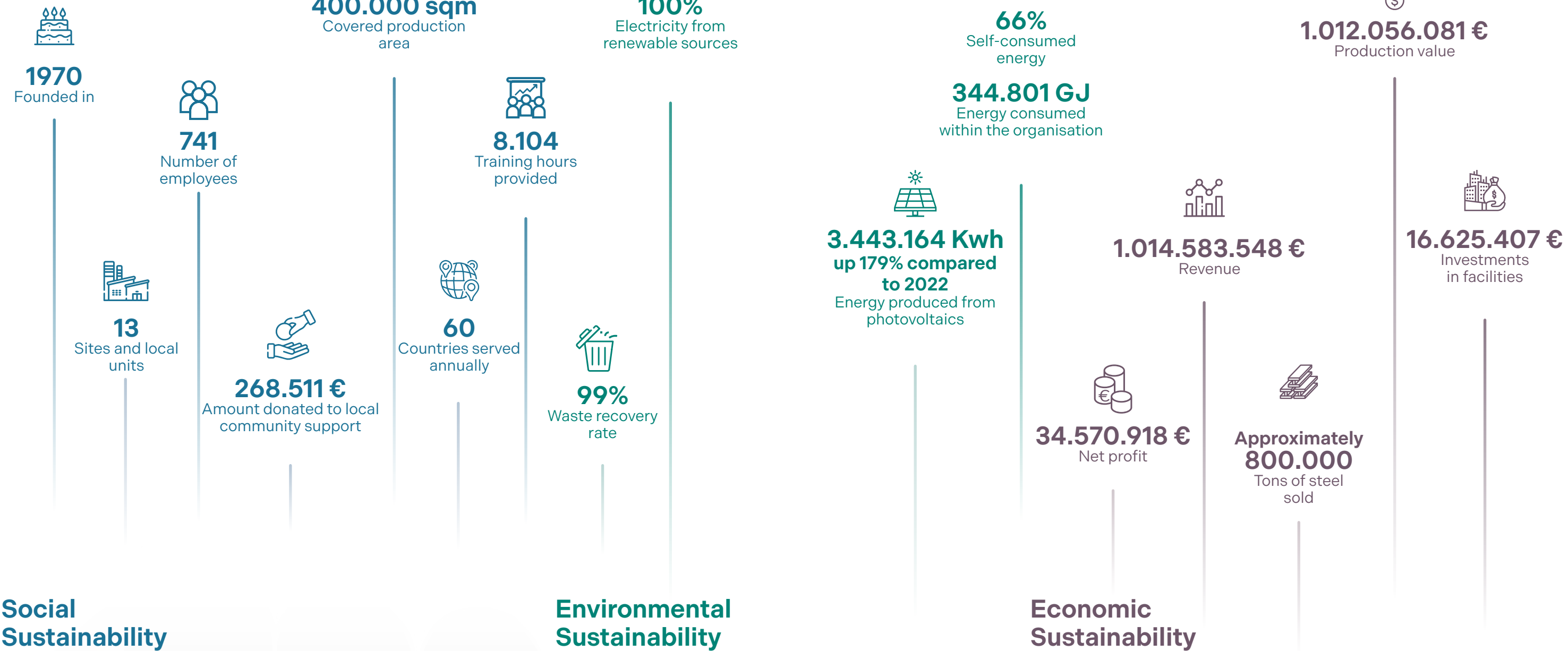
This requires, and will increasingly demand, synergistic and coordinated actions from production chains. It is necessary to abandon old competitive logics confined to short-term scenarios and instead embrace a long-term vision capable of preserving value growth and the survival of European industry.

It is a challenging path, yet full of opportunities, in which we are certain that Padana Tubi, thanks to the contribution of its stakeholders, will continue to be a credible and motivated player.

We leave you with these thoughts as you review our Sustainability Report, appreciative of any contributions you, our stakeholders, may wish to provide.

Famiglia Alfieri

Highlights



Social Sustainability

Environmental Sustainability

Economic Sustainability

1

Corporate identity

Padana Tubi: Responsibility, Commitment and Trust

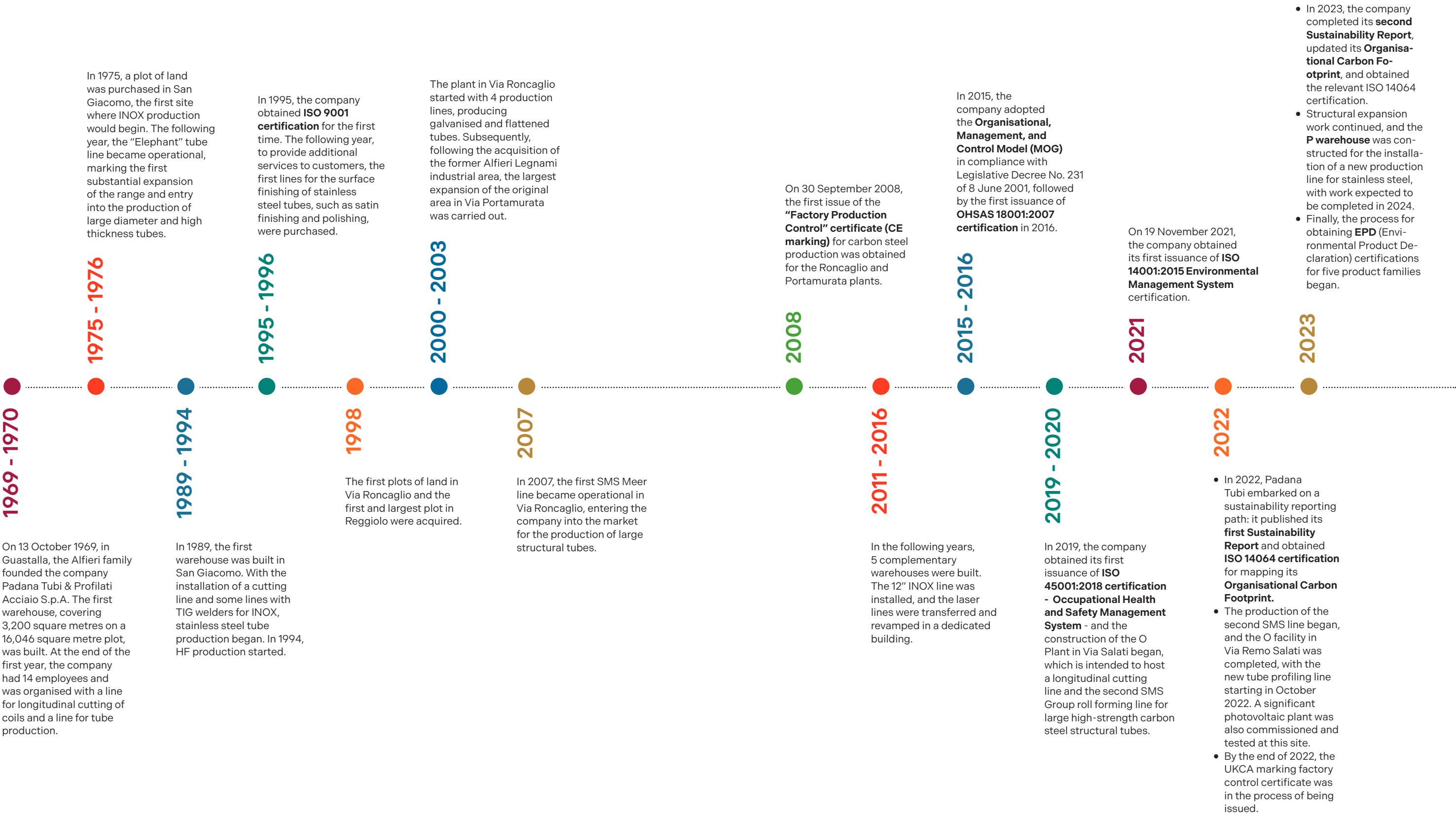
Padana Tubi & Profilati Acciaio S.p.A. is among the European leaders in the **production and sale of carbon and stainless steel welded tubes, primarily for structural applications, as well as in the sale of galvanised tubes and the commercialisation of coils, sheets, and trim strips.**

The company was founded in Guastalla in 1970 by the Alfieri family, with the initial goal of producing welded carbon steel tubes. The growing success and market recognition encouraged the commitment to also produce stainless steel tubes, thanks to the completion of an additional plant in 1989. Subsequently, through a progressive path of internal growth, other facilities were built to expand the product range, always within the scope of steel tubes, with further diversification in the quality of raw materials and a significant enrichment of the finished products' shapes.

Today, Padana Tubi occupies an area of approximately 400,000 square metres, with all its facilities located within the municipality of Guastalla (RE). The company is recognised for its prominent and credible position in European markets, producing and selling over 800,000 tons of steel tubes each year. In 2023, the company had a workforce of 741 qualified employees.



The journey of growth: origins and evolution



Market Presence and Business Model

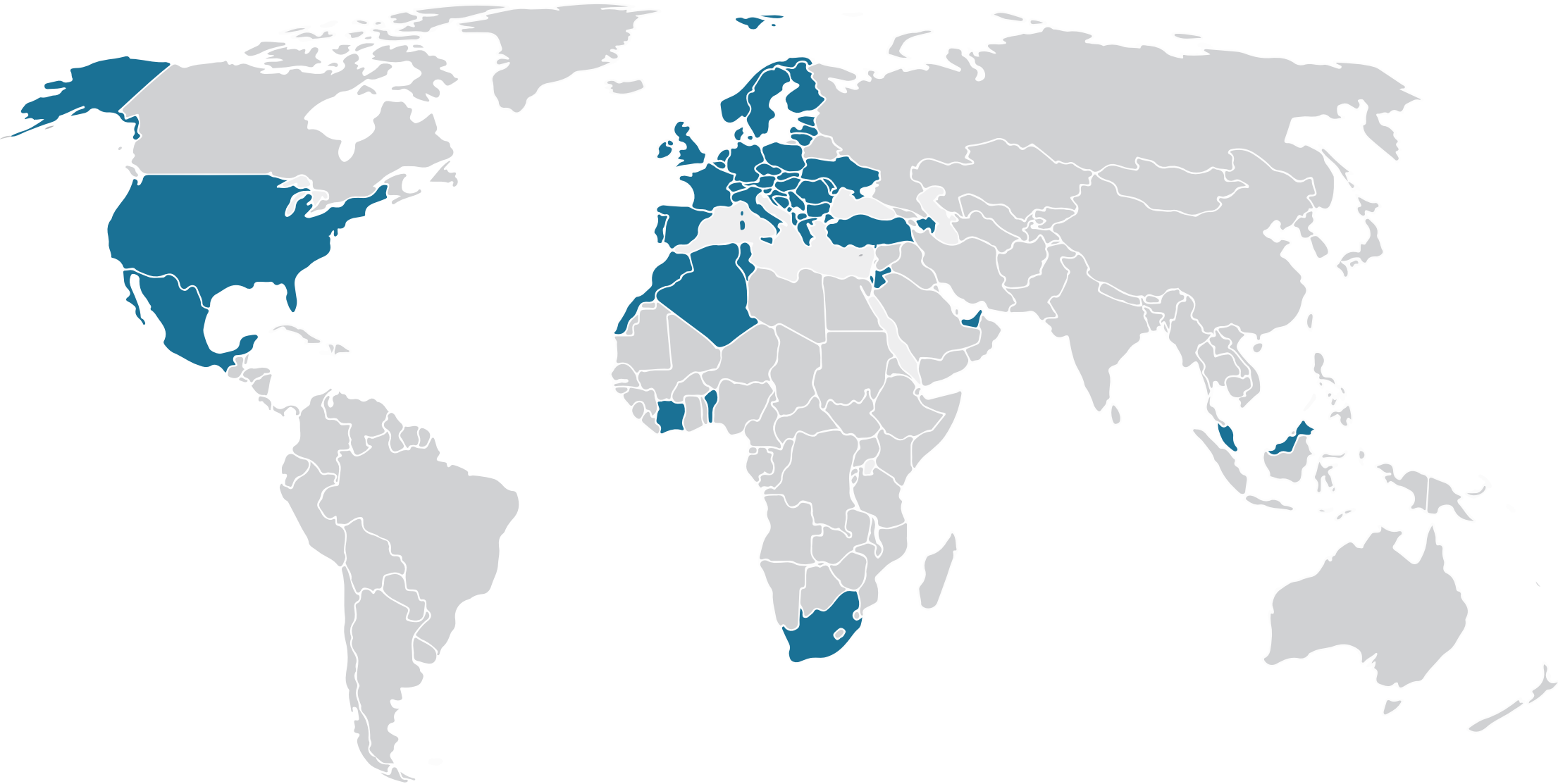
GRI 2-1 | GRI 2-2

Padana Tubi holds a leadership role in the main markets in which it operates; this competitive positioning has been achieved thanks to its distinctive value: attention to the quality of raw materials, use of cutting-edge technologies for production processes, customer satisfaction, care for quality and workplace safety for its employees.

Locations

Padana Tubi’s production facilities are entirely located in its **place of origin**, in the city of Guastalla. In Via Portamurata, the site of the first production unit, the company’s headquarters and a major plant for the production of carbon steel tubes are active. This is complemented by four other main production sites, as well as 8 auxiliary facilities for secondary processing and warehouses for raw materials and products. In 2024, the company plans to further expand with the construction of the fourteenth facility (Plant P).

The extensive covered area has allowed the installation of photovoltaic systems on its facilities with a total nominal power of 2,779 kWp. Awareness of the strategic role of renewable energy sources is progressively guiding the company to increase this type of installation.



LOCATIONS AND LOCAL UNITS

	Address	Production
A	Via Portamurata	CARBON – CARBON STEEL/ HEADQUARTERS
B	Via Roncaglio	CARBON – CARBON STEEL
C	Via Dossetti	INOX – STAINLESS STEEL
D	Via De Gasperi	INOX – STAINLESS STEEL
E	Via Togliatti	INOX – STAINLESS STEEL
F	Via Ferrari	INOX – STAINLESS STEEL
G	Via Dossetti	INOX – STAINLESS STEEL
H	Via Nenni	INOX – STAINLESS STEEL
I	Via Dossetti	CARBON – CARBON STEEL
L	Via Nenni	INOX – STAINLESS STEEL
M	Via Dossetti	INOX – STAINLESS STEEL
N	Via Portamurata	CARBON – CARBON STEEL
O	Via Salati	CARBON – CARBON STEEL

Countries served

The strong territorial identity, certainly atypical in a world increasingly oriented towards offshoring, clearly demonstrates the depth of the **roots** that bind the company to the Emilia region while simultaneously extending its reach to **international markets**, reaching over **60 countries** through its sales network.

Padana Tubi’s identity is expressed through a virtuous exchange of diligence, creativity, honesty, enjoyment of life, and profound openness to dialogue with different people, organisations, cultures, and global markets.

Sales are approximately 25% within Italy and 75% abroad, predominantly in European countries.

- Albania

Algeria

Austria

Azerbaijan

Belgium

Benin

Bosnia and Herzegovina

Bulgaria

Cape Verde

Croatia

Ivory Coast

Cyprus

Denmark

Estonia

United Arab Emirates

Finland

France

Germany
- Jordan

Greece

Ireland

Israel

Italy

Latvia

Lithuania

Luxembourg

Macedonia

Malaysia

Malta

Morocco

Mexico

Moldova

Montenegro

Norway

Netherlands

Poland
- Portugal

United Kingdom

Czech Republic

South Africa

Romania

Serbia

Slovakia

Slovenia

Spain

United States of America

Sweden

Switzerland

Tunisia

Turkey

Ukraine

Hungary

Products and services

Padana Tubi is recognised as one of the European leaders in the production of welded tubing. Continuous investments, customer care, rapid deliveries, and attention to product quality are the key factors that have led it to success.

Padana Tubi is engaged in the **production of:**

- **carbon steel tubes and profiles with black and galvanised surfaces;**
- **inox steel tubes and profiles;**
- **flattened carbon steel sheets.**

Steel is the fundamental raw material in the company's production processes; a raw material with a potentially infinite lifecycle, a true "permanent resource" essential for the development of a circular economy.

The entire range of products, all marked according to production standards, falls under two divisions:

- Carbon Steel division;
- Inox division.

Carbon steel division

The Carbon Steel Division production is divided as follows:

- **Structural tubes** according to UNI EN 10219-1;
- **Pickled tubes for precision uses** according to UNI EN 10219-1 or UNI EN 10305-3 (square-rectangular profiles only);

- **Galvanised strip tubes** also for precision uses according to UNI EN 10305-3;
- **Flattened sheet** (black, galvanised, pickled, chequered and ribbed);
- **Strips;**
- **Special profiles and frames.**

RAW MATERIAL

The coils used for tube production comply with UNI EN 10025-2 for the technical delivery conditions of non-alloy structural steels, and with UNI EN 10051 for dimensional and shape tolerances.

The coils used for the production of galvanised tubes comply with UNI EN 10346 for the technical delivery conditions of continuously hot-dip coated flat steel products for cold forming, made using the Sendzimir process.

The product range includes:

- Round tubes with diameters from 12 to 457.2 mm and thicknesses from 1.5 to 18 mm;
- Square tubes from 10×10 to 350×350 mm with thicknesses from 1.5 to 18 mm;
- Rectangular tubes from 15×10 to 500×200 mm with thicknesses from 1.5 a 18 mm;
- Galvanised strip tubes with thicknesses from 1.5 to 4 mm;
- Galvanised strip square-rectangular tubes with thicknesses from 1.5 to 3 mm according to UNI EN 10305-3;
- Flattened sheet (black, galvanised, pickled, chequered, and ribbed) in standard formats and thicknesses from 1 to 10 mm.

Profile lengths can vary from 4500 mm to 18000 mm. For galvanised products, at the customer's request, it is possible to coat the weld, the only part not coated due to the removal of the external weld bead, using a spray gun that 'mists' a zinc wire. Additionally, hot or cold galvanising services can be provided on a contract processing basis.

Finally, the full operation of the SMS 18" line in 2023 has led the company to further expand its range, with the production and offering of large diameter and thickness tubes (457.2 mm diameter and 18 mm thickness).

QUALITY

Carbon steel for structural uses:

- S235JRH;
- S275J0H;
- S275J2H;
- S355J0H;
- S355J2H.

Pickled steel:

- S235JRH;
- E220+CR2 → S2 for precision uses.

Galvanised steel:

- DX51D;
- E220+CR2 → S4 for precision uses.

CONTROLS

Special attention is paid to quality controls during production, which are continuously performed:

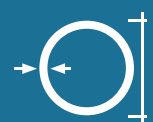
- dimensional checks according to UNI EN 10219-2 and UNI EN 10305-3;
- visual checks according to UNI EN 10219-2 and UNI EN 10305-3;
- flattening tests for round tubes according to UNI EN ISO 8492;
- Weld checks, performed with the HF method, using the eddy current method according to UNI EN ISO 10893-2 (formerly UNI EN 10246-3).

Controls to determine the conformity of the produced tubes to the reference standards continue in the company's laboratories. All machines used are certified and undergo periodic maintenance.

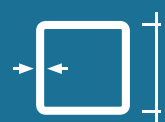
The following tests are carried out on tube samples in the laboratories:

- tensile tests UNI EN ISO 6892-1;
- impact tests UNI EN ISO 148-1;
- spectrometric checks to determine the chemical composition;
- macroscopic checks of the heat-affected zone.

The results of the above tests are reported on each accompanying 3.1 Certificate.



Tubi tondi strutturali
Peso teorico kg/metro
Round structural tubes
Theoretical weight kg/meter



Tubi quadri strutturali
Peso teorico kg/metro
Square Structural tubes
Theoretical weight kg/meter



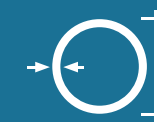
Tubi rettangoli strutturali
Peso teorico kg/metro
Square rectangular tubes
Theoretical weight kg/meter



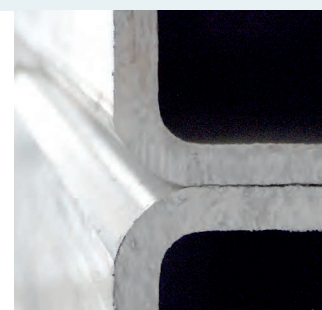
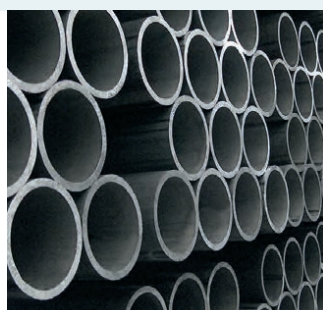
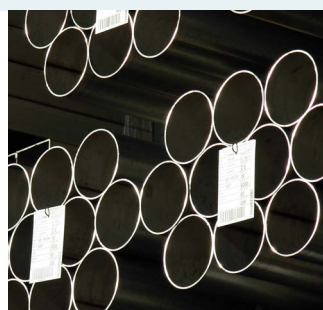
Tubi tondi strutturali alto spessore
Peso teorico kg/metro
Round big thickness structural tubes
Theoretical weight kg/meter



Tubi rettangolari strutturali alto spessore
Peso teorico kg/metro
Rectangular big thickness structural tubes
Theoretical weight kg/meter



Tubi tondi zincati e decapati
Peso teorico kg/metro
Sendzimir and pickled round tubes
Theoretical weight kg/meter



Inox division

The Inox Division production is divided as follows:

- Round tubes with two types of welding: HF (EN 10296-2) and LASER (EN 10217-7);
- Square/Rectangular tubes.

Additionally, there are the following surface finishes: standard inline brushed, satin, polished.

RAW MATERIAL

The coils used for tube production comply with EN 10088-2 and EN 10028-7 standards. The steel used is cold-rolled up to a thickness of 1.6 mm and hot-rolled from 2 mm to 6 mm. Since 2014, Padana Tubi's range of stainless steel products has been enriched with new productions, including the installation of a line for large diameter and thickness tubes.

The product range includes:

- Round tubes with diameters from D 26.9 to D 323.9 mm and thicknesses from 1 mm to 6 mm;
- Square tubes from 10×10 to 200×200 mm with thicknesses from 1 mm to 6 mm;
- Rectangular tubes from 20×10 to 300×100 mm with thicknesses from 1 mm to 6 mm;

The standard production length of the tubes is 6000 mm, although it is possible to arrange with the Sales Department for lengths ranging from 4500 to 12000 mm.

OBJECTIVE FOR 2024

For the INOX Division, Padana Tubi aims to complete the expansion of the dedicated production area by building a new facility and installing a new line for large diameter and thickness tubes, with operations expected to start in 2025, further expanding the product range.

QUALITY

- 304L (1.4307) Cr 17.5 to 19.5 Ni 8.00 to 10.00;
- 316L (1.4404) Cr 16.5 to 18.5 Ni 10.00 to 13.00 Mo 2.00 to 2.50;
- 316Ti (1.4571) Cr 16.5 to 18.5 Ni 10.5 to 13.5 Mo 2.00 to 2.50.

CHECKS

Special attention is paid to quality controls during production; in particular, the following continuous checks are performed:

- dimensional checks according to EN 10217-7, EN 10296-2, EN 10219-2;
- visual checks according to EN 10217-7, EN 10296-2, EN 10219-2;
- expansion tests for round tubes according to UNI EN ISO 8495;

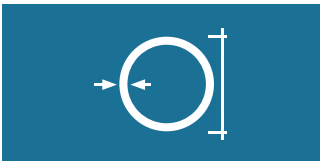


- weld checks, performed with the HF/LASER method, using the eddy current method according to UNI EN ISO 10893-1 and UNI EN ISO 10893-2.
- spectrometric checks to determine the chemical composition;
- macroscopic checks of the heat-affected zone.

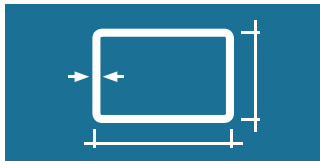
Checks to determine the conformity of the produced tubes to the reference standards for the INOX Division also continue in Padana Tubi's laboratories. The following tests are carried out on tube samples:

- tensile tests UNI EN ISO 6892-1;
- impact tests UNI EN ISO 148-1;

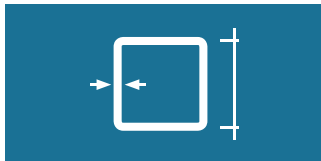
The results of the above tests are reported on each accompanying 3.1 Certificate.



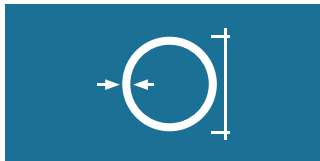
Tubi tondi
Peso teorico kg/metro
Round tubes
Theoretical weight kg/meter



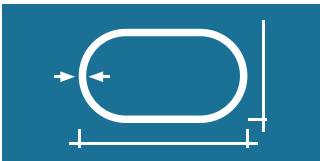
Tubi rettangoli
Peso teorico kg/metro
Rectangular tubes
Theoretical weight kg/meter



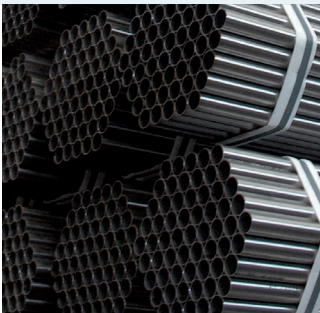
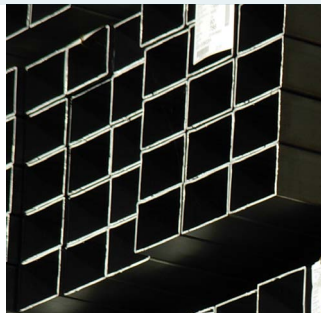
Tubi quadri
Peso teorico kg/metro
Square tubes
Theoretical weight kg/meter



Tubi tondi laminati
Peso teorico kg/metro
Bead rolled round tubes
Theoretical weight kg/meter



Tubi ovali
Peso teorico kg/metro
Oval tubes
Theoretical weight kg/meter



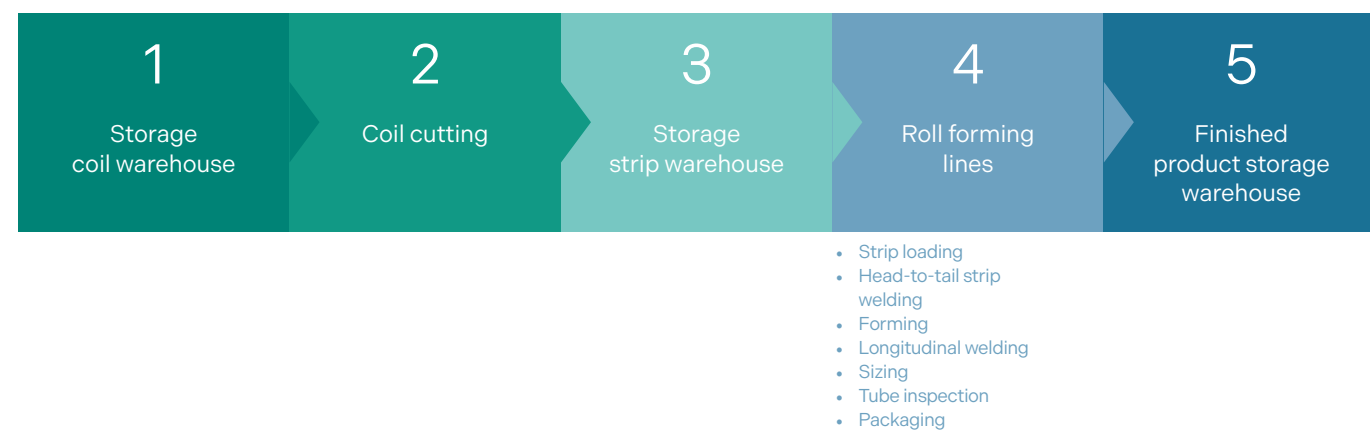
The production process

Padana Tubi does not include a design and development phase, as the products are manufactured in compliance with specific national or international regulations, or market-recognised standards.

The products offered to customers do not present significant variations, except for length, format, and raw material, according to the specified requirements. The entire production process is managed by specific software that enables strict traceability, from the receipt of raw materials to the shipment of the finished product.



The production of longitudinally welded tubes follows specific phases, the main ones of which are detailed below; although similar, they involve different types of steel:



Receipt of raw materials:

The raw materials consist of coils (steel sheets of pre-determined width wound into rolls) that are delivered by external suppliers to the various production units and stored in dedicated areas.

Cutting lines:

In this phase, the coils are cut longitudinally to obtain strips of different widths, depending on the diameter of the tubes or profiles to be produced. The products thus obtained are placed in the strip warehouse located between the cutting lines and the loading of the roll forming lines.

Production lines:

In this phase, the actual tube (or profile) is produced. The strip passes through a series of rotating steel rollers which, in several passes, deform the sheet metal to achieve the desired profile shape (round, square, etc.). In all production lines, the following main work areas can be identified: strip loading, head-to-tail strip welding, forming, longitudinal welding, sizing, tube inspection, packaging.

Warehouse:

The "packs" of tubes are transferred through internal movements to the storage areas (tube warehouse) and from there, they are dispatched to customers.



Responsible governance and regulatory compliance

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-26 | GRI 405-1

Since 2021, Padana Tubi has had a sole shareholder and is subject to the direction and coordination of Padana Holding S.r.l.

The corporate governance system of Padana Tubi is based on a **traditional model in which the corporate bodies are represented by the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors.**

The Board of Directors (BoD) is vested with extensive powers for the ordinary and extraordinary management of the company, with the authority to perform all acts of ordinary and extraordinary administration deemed appropriate for the achievement of corporate purposes, excluding only those acts expressly reserved for the Shareholders' Meeting by law and by the Articles of Association. The BoD of Padana Tubi consists of 6 members serving until the approval of the Financial Statements as of 31.12.2023. It is led by the Alfieri family and chaired by Anna Alfieri.

Board of Statutory Auditors: The company's management is overseen by a collegiate body composed of five members, including three standing auditors and two alternates. This body is responsible for ensuring compliance with the law and the Articles of Association, adherence to principles of proper administration, the adequacy of the company's organisational structure and internal control system, and the adequacy of instructions given to subsidiaries regarding the information required to fulfil communication obligations.

Padana Tubi adopts an Organisation, Management, and Control Model pursuant to Legislative Decree 231/2001, which is subject to the supervision of the Supervisory Body to ensure its proper functioning.

Organisational structure

Composition of the corporate bodies as of 31.12.2023



Board of Directors

President Anna Alfieri	Vice President Ruggero Alfieri	CEO Romano Alfieri	CEO Claudia Alfieri
	Director Angela Alfieri	Director Fabio Alfieri	



Board of statutory auditors

Auditor Gian Luca Lanzotti	Auditor Alessandro Savoia	Auditor Mattia Toni
Alternate Auditor Emanuele Battelli	Alternate Auditor Luana Vergari	

Regarding diversity information, it is specified that 5 out of 6 members of the governing body (composed of three men and three women) fall into the "over 50 years" age group, while only one person is aged "between 30 and 50 years". The Board of Statutory Auditors, composed of 4 men and 1 woman, has 4 members in the "30 to 50 years" age group and one in the "over 50 years" age group. Below is the summary of the Governing Bodies in accordance with GRI 405-1.



GOVERNING BODIES BY GENDER

	2022				2023			
	Women	Men	Other	Total	Women	Men	Other	Total
Board of Directors	3	4	-	7	3	3	-	6
Board of Statutory Auditors	1	4	-	5	1	4	-	5
Special Proxies	3	3	-	6	3	2	-	5
Total	7	11	-	18	7	9	-	16

GOVERNING BODIES BY AGE GROUPS

	2022				2023			
	<30 years	30-50	>50 years	Total	<30 years	30-50	>50 years	Total
Board of Directors	-	1	6	7	-	1	5	6
Board of Statutory Auditors	-	3	2	5	-	4	1	5
Special Proxies	-	5	1	6	-	5	-	5
Total	-	9	9	18	-	10	6	16

Padana Tubi has implemented a detailed system of authorisations for collaborators who operate autonomously in their respective areas of competence. For specific areas, it has been deemed appropriate to establish specific authorisations to be granted to certain company figures to make the

assigned delegations explicit to third parties. Below are the other positions or titles held by six figures within the company's governance in areas such as construction sites, environment, health and safety, and personnel management.

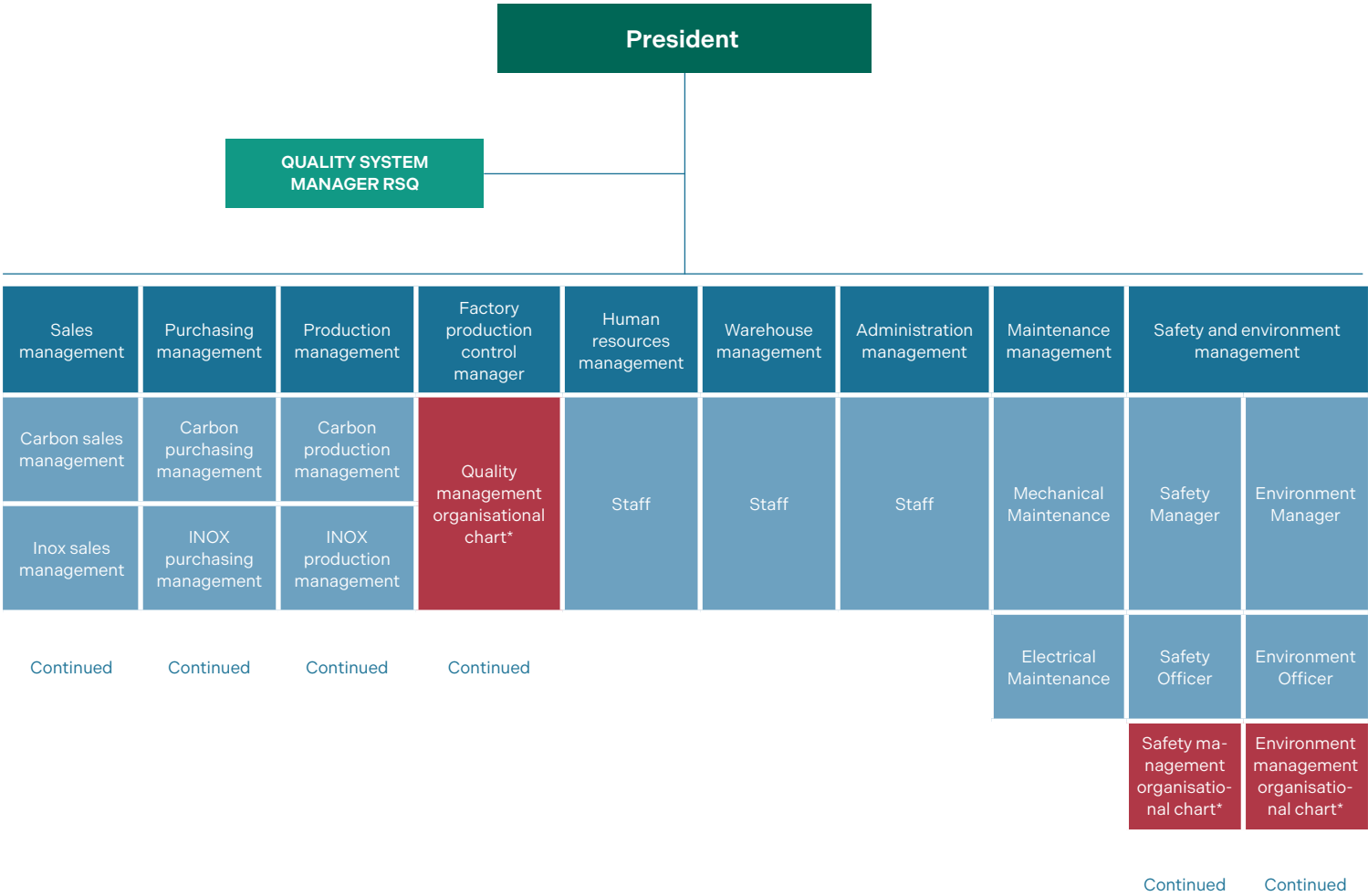
OTHER POSITIONS OR QUALIFICATIONS

ROLE	
Panizzi Damiano	Authorised Representative
Sara Bonori	Special Authorised Representative
Maria Chiara Masini	Authorised Representative
Fabio Iori	Special Authorised Representative
Sara Mortara	Special Authorised Representative

Organisational Chart

As of 31.12.2023, Padana Tubi's workforce consists of **741 people**. Internally, it is represented by a general **organisational chart and specific charts for Environment, Safety, and Quality**. The company structure consists of two main divisions: Carbon Division and INOX Division.

Below is the first organisational level of the entire Padana Tubi structure, with specific details available in the relevant company documents.



*The latest update of the Quality, Environment, and Safety organisational charts was on 24.05.2023.

Ethics, integrity and transparency

EMERGING THEME 8,9,10,16

The responsibility of a business, extended to governance, requires adherence to ethical principles, regulatory compliance, and integrity; these aspects are necessary to ensure sustainable business management. The process of developing an ethical culture is possible only through employee training, the application of continuous internal controls, and the implementation of activities, initiatives, and policies aimed at combating the spread of improper and unlawful behaviours within the organisation and in its external relations.

Since 2015, Padana Tubi has voluntarily adopted an Ethical code and Organisation and Control model in accordance with Legislative Decree no. 231/2001; both constitute the company's core values and are subject to oversight by the **Supervisory Body**.

Since the outbreak of the war in Ukraine, Padana Tubi has ceased all relations with Russian companies, clients, and suppliers, and has organised itself to strictly comply with the sanctions and bans progressively established by the European Community against entities, individuals, and goods of Russian origin, also through the activation of registry checks and requests for compliance declarations from its counterparts.

THE ETHICAL CODE AND PRINCIPLES

The ethical code establishes a series of “corporate ethics” rules that the Company recognises as its own and requires adherence to by its corporate bodies and employees, whose acknowledgment is also requested from all counterparts, clients, and suppliers.

In its operations and in the pursuit of its institutional goals, Padana Tubi is guided by the following ethical principles:

ETHICAL PRINCIPLES

Legality
Impartiality
Transparency and fairness
Loyalty and good faith
Value of people and human resources
Confidentiality and privacy protection
Prevention of conflicts of interest
Work safety and environmental protection
Protection of competition
Prevention of money laundering
Prevention of corruption
Mitigation of cyber attacks
Protection of intellectual property
Proper management of public funds
Proper management of sponsorships

THE ORGANISATION, MANAGEMENT, AND CONTROL MODEL AND THE SUPERVISORY BODY

The 231 Model, supported by the Ethical Code, is the tool through which Padana Tubi aims to spread a corporate culture based on legality and the importance of adopting correct, lawful, and transparent behaviours in line with the ethical principles that the Company pursues in its activities.

With the adoption of the 231 Model in 2015, the Board of Directors (BoD) appointed the **Supervisory Body (ODV)**, which consists of two external members and one internal member. The ODV is renewed periodically every year and is tasked with monitoring compliance with the procedures indicated in the organisational model.



The ODV also handles reports received through specific dedicated channels (email address, mailboxes located in each facility, and regular mail) and conducts appropriate investigations to verify and delve into these reports before informing the BoD so that corrective or disciplinary actions can be taken if necessary. To this end, the ODV prepares semi-annual reports for the Board of Directors. Additionally, it schedules an annual audit for each business process¹, focusing on those that are most at risk. During 2023, the ODV regularly conducted audits on the relevant processes through the analysis of the information flows received from the managers and the performance of random checks, which did not reveal any anomalies or significant issues concerning Legislative Decree 231/01.

Padana Tubi has implemented a Whistleblowing reporting system, which is organised through a specific procedure and an alternative communication/reporting channel, suitable for ensuring the confidentiality of the whistleblower's identity, even through electronic means. Any reports are handled in compliance with all privacy rules, in accordance with Legislative Decree 196/2003, the GDPR (EU Regulation 2016/679), and the protection of whistleblowers.

In accordance with GRI standards, it is noted that no reports were received during 2023, as in the previous year.

¹ The business processes considered include: purchasing of goods, services, and consultancy; production and marketing management; tax management - tax offences; management of monetary and financial flows; health and safety at work management; cybersecurity management; management of sponsorships, donations, and gifts; relations and compliance with public authorities; selection, hiring, and management of personnel.

The internal control system

In preparing the Model, Padana Tubi took into account the existing internal control system in the company to verify whether it was suitable for preventing the specific crimes provided for by the Decree in the identified high-risk activity areas. The control system involves every sector of the company's activities through the distinction between operational tasks and control tasks, effectively reducing any possible conflict of interest.

The type of control structure existing at Padana Tubi includes:

- so-called “line controls,” i.e., operational and hierarchical-functional controls aimed at ensuring the correct performance of operations and activities;
- compliance controls, subsequent audits carried out by control bodies, including the Supervisory Body, to identify, assess, control, and manage the risk resulting from non-compliance with laws, regulations, the Ethical Code, the Model, procedures, and other internal regulations.

Management systems and certifications

Padana Tubi has adopted an Integrated Management System (IMS) – Environment, Health & Safety, implemented in accordance with the requirements of UNI EN ISO 14001:2015 and ISO 45001:2018 standards. The values underlying the IMS are attributable to constant attention to people, the prevention and protection of workers, and environmental protection.

The certifications acquired by Padana Tubi demonstrate how the Company produces products that comply with the highest standards of quality, safety, and environmental respect.

The holistic view of business processes leads Padana Tubi to manage responsible governance in all aspects and to pursue clear objectives that can meet the expectations of its stakeholders, as formalised in the Quality, Health, Safety, and Environment Policy.

The vision and management of Padana Tubi are the elements that, in 1996, led to the attainment of quality certification according to **ISO 9001**; over the years, it has significantly distinguished itself in the market, thanks also to its ability to strengthen its standards.

In 2019, it completed the transition from the **OHSAS 18001** certification obtained in 2016 to ISO 45001;

further demonstrating how the Company places the protection of health, safety, and well-being of operators, customers, and suppliers among the core values of its business strategy. This achievement aligns perfectly with the objective of continuous improvement in quality and environmental protection, projecting the company towards a new model of sustainable competitiveness.

In 2021, it transformed its working methods by implementing standardised procedures in line with the contents of **ISO 14001**, obtaining the relevant certification; an action undertaken to protect the environment in which operators and customers work.

In the second half of 2022, it obtained the first issuance of the **ISO 14064** certification (Organisational Carbon Footprint): the quantification

of GHG emissions for 2021 enabled it to outline and implement Carbon Management policies. This path was also undertaken for 2023, through the updating of the study and the related certification, and the same is planned for 2024.

Finally, during 2023, the company decided to obtain the **EPD (Environmental Product Declaration)** certification for all product families, consequently embarking on a new path of in-depth analysis and evaluation of the environmental impacts of the products offered. Together with the CFO, this demonstrates and reinforces the company's responsibility and sensitivity towards the impacts generated by its activities on the environment. The company expects to achieve the related EPD certifications in January 2024.



UNI ISO 45001 	Represents the standard for the occupational health and safety management system ; it is the first international standard that defines minimum good practice standards for the protection of workers worldwide. It also establishes a framework for improving safety, reducing workplace risks, and enhancing the health and well-being of workers, thus increasing performance in health and safety matters. Padani Tubi has chosen to improve prevention policies and to counteract accidents and occupational diseases more effectively .	Certificate issue date: 29.04.2019 (formerly OHSAS 18001 from 05 May 2016 to 04 May 2019) Last renewal: 28.04.2022 (updated to version 2 on 03.08.2023 for extension to the O production site)
UNI ISO 9001 	ISO 9001 establishes the criteria for a quality management system ; it focuses on process effectiveness and promotes the adoption of a risk-based approach. Padana Tubi chose to certify to ensure high-quality standards in its business processes and to guarantee maximum customer satisfaction .	Certificate issue date: first certification only for the inox department with IGQ in 1996, followed by a process started in 2008 that led to the certification of carbon, resulting in the attainment of complete carbon/INOX certification with the first certification on 31/01/2013. Last renewal: 31.01.2022 (update scheduled for 09/01/2024 for extension to the O production site)
UNI ISO 14001 	ISO 14001 is the certification for the environmental management system , which provides an in-depth analysis of company management aimed at reducing environmental impacts, meeting all legal requirements, and strengthening relationships with stakeholders. Padana Tubi has voluntarily chosen to certify itself to reconcile quality, efficiency, and productivity, while respecting the environment and the territory in which it operates .	Certificate issue date: 19.11.2021 (updated to version 3 on 04.08.2023 for extension to the O production site).
UNI ISO 14064 	The main purpose of the ISO 14064 standards is to provide credibility and assurance (trust) to GHG reporting and monitoring processes , in relation to emission declarations by organisations and their reduction projects. Padana Tubi voluntarily chose to certify to understand its carbon footprint in terms of tonnes of CO₂ emitted and to set reduction targets for its environmental impact .	Certificate issue date: first issue 06/09/2022 Last renewal: 15.11.2023
CONSTRUCTION PRODUCTS REGULATION (UE) 305/2011 	EU Regulation 305/2011 concerns all products made to become permanent parts of construction works, setting essential performance requirements with the aim of optimising the free movement of these products within the European Union. Padana Tubi voluntarily chose to obtain this certification to align with the conditions required by the European market for the marketing of construction products .	Certificate issue date: first issue 30/09/2008 Last renewal: 23.11.2023
UKCA (REG. UK STATUTORY INSTRUMENT 2019 N. 465 OF THE UNITED KINGDOM PARLIAMENT) 	The UKCA (UK Conformity Assessed) marking is the new product mark for the United Kingdom that must be used for products placed on the market in Great Britain (England, Wales and Scotland) to demonstrate their compliance with UK technical regulations. Padana Tubi has aligned with the requirements of the British regulation to maintain the marketing of its products in the United Kingdom .	Certificate issue date: first issue 16.01.2023
PRESSURE EQUIPMENT DIRECTIVE 2014/68/UE (PED) 	Directive 2014/68/UE applies to the design, manufacture, and conformity assessment of pressure equipment and assemblies subjected to a maximum allowable pressure PS greater than 0.5 bar. Padana Tubi voluntarily chose to certify to align with the relevant European directive, aimed at harmonising the national laws of Member States regarding the evaluation of design, production, testing, and conformity of pressure equipment and assemblies .	Certificate issue date: first issue 15/12/2017 Last renewal: 01.12.2023





Padana Tubi's sustainable strategy

The path taken

In recent years, companies operating in the steel sector have been paying more attention to sustainability issues, particularly environmental issues. In this context, investments aimed at reducing the environmental impact associated with production have been significantly increasing.

For some years now, Padana Tubi has been integrating sustainability into its business strategy; leading to a structured process of growth and awareness.

The publication of the Third Sustainability Report represents Padana Tubi's commitment to meeting the expectations and needs of stakeholders; at the same time, it is an act of transparency and social responsibility that is carried out with determination.

Corporate choices, decisions, behaviour, and performance are closely correlated not only with the objectives the Company seeks to accomplish and the anticipated results but also with a perspective that integrates the pillars of sustainability: attention to certifications related to product quality and the management system, emission monitoring, the adoption of measures to optimise energy consumption, and the calculation of the environmental footprint. Padana Tubi's long-term vision and sustainable strategy also focus on attention to its people and the enhancement of skills.



Stakeholder Mapping and Engagement

Stakeholders are entities or individuals who can be significantly influenced by an organisation's activities, products, and services, or whose actions can affect the company's ability to successfully implement its strategies and achieve its goals. Padana Tubi maintains direct relationships with its stakeholders aimed at continuous collaboration between the parties.

Engagement and dialogue with stakeholders (**stakeholder engagement**) are fundamental for understanding expectations, interests, and assessments. Careful and positive engagement allows for more informed goal-setting and facilitates the decision-making process. Engagement with stakeholders takes place through direct relationships to understand their interests and expectations.

In particular, shareholders and banking institutions are interested in profit growth, economic sustainability, and transparency in relations with the company; customers are increasingly interested in safe, reliable, and quality products, while suppliers aim for continuity of the established relationship, loyalty, flexibility, and logistical efficiency. The Public Administration's primary interest is to gain value from the company operating in the territory to bring prestige and job opportunities to the local community.

Furthermore, Padana Tubi maintains relationships with local schools, trade unions, local and industry associations; its commitment is demonstrated by participating in various organisations active in the manufacturing and steel sector: Confindustria Reggio Emilia, Centro Inox, Unsider, and Fondazione Promozione Acciaio.

Below is the **stakeholder mapping**, which provides a summary representation of Padana Tubi's main stakeholders, divided into a macro level and a more detailed level, their interests, and the related methods of engagement.



Stakeholder	Interest	Engagement	Results
Shareholders 	<ul style="list-style-type: none"> Economic and social sustainability over time. 	<ul style="list-style-type: none"> Participation in General Meetings and Board of Directors meetings. 	<ul style="list-style-type: none"> Sharing of the Organisation's economic and social results.
Human Resources 	<ul style="list-style-type: none"> Job stability; Professional growth paths; Training and workplace safety. 	<ul style="list-style-type: none"> Training courses; Direct and individual meetings/contacts; Email communication. 	<ul style="list-style-type: none"> Increase in company know-how and skills system; Updates on changes to company protocols/information.
Financial Community 	<ul style="list-style-type: none"> Short and long-term financial and asset stability; Loyalty; Transparency. 	<ul style="list-style-type: none"> Direct contacts; Email communication; Sending of financial statements. 	<ul style="list-style-type: none"> Sharing and understanding of the Organisation's economic results (financial statements).
Clients 	<ul style="list-style-type: none"> Product quality and service level; Fair pricing; Continuity and reliability. 	<ul style="list-style-type: none"> Direct individual contacts; Quality control service; Logistics service; Content on company website; Reserved e-commerce portal; Survey for Materiality analysis. 	<ul style="list-style-type: none"> Response to customer needs; Transparency in relationships; Identification of relevant ESG issues for clients.
Public Administration and Institutions 	<ul style="list-style-type: none"> Compliance with regulations and technical standard; Dialogue; Transparency of information. 	<ul style="list-style-type: none"> Exchange of information; Survey for Materiality analysis. 	<ul style="list-style-type: none"> Compliance with regulatory and technical requirements; Dialogue between parties; Identification of relevant ESG issues for Public Administration.
Suppliers of goods and services 	<ul style="list-style-type: none"> Financial stability; Company growth and volume increase; Continuity and loyalty; Workplace safety; Flexible organisation and logistics efficiency; Technical skills and prestige. 	<ul style="list-style-type: none"> Direct individual contacts; Sending financial statements on request; Volume agreements; Survey for Materiality analysis; 	<ul style="list-style-type: none"> Sharing of know-how and technological innovation; Evaluation of strategic objectives and projects; Identification of relevant ESG issues for suppliers.
Territory and community 	<ul style="list-style-type: none"> Job growth; Integration into the community and youth engagement; Economic support for projects; Participation in initiatives; Professional inclusion of students; Mitigation of environmental impact. 	<ul style="list-style-type: none"> Donations and support for project initiatives; Initiatives for the development and economic growth of the territory; Indirect communication through media. 	<ul style="list-style-type: none"> Distribution and sharing of economic, environmental and social value; Transparent dialogue and recognition of the role in the territory.
Certification and control bodies 	<ul style="list-style-type: none"> Compliance with the specifications set out in the reference standards; Compliance with regulatory requirements. 	<ul style="list-style-type: none"> Annual/semi-annual audits for certification maintenance or renewal. 	<ul style="list-style-type: none"> Maintenance of certification and its commercial/reputational value.
Industrial relations 	<ul style="list-style-type: none"> Constructive dialogues between social partners; Participation in initiatives for the territory; Participation in refresher courses; Consultancy activities. 	<ul style="list-style-type: none"> Participation in the General Council (Confindustria Reggio Emilia); Direct contacts, emails, newsletters; Website communications; Surveys for new regulatory proposals; Periodic meetings with social partners. 	<ul style="list-style-type: none"> Sharing new technical-quality sector standards; Sharing company performance in terms of safety; Understanding the economic performance and needs of local companies.

To identify the material topics addressed in the previous reporting—the 2022 Sustainability Report—**Padana Tubi directly engaged a group of stakeholders in 2023. This group included some of the company's main customers and suppliers, along**

with the Municipality of Guastalla. The stakeholder engagement activity enabled the company to identify the strategic and priority ESG topics for its medium- and long-term growth.

Materiality analysis

Materiality analysis is a significant part of the corporate sustainability journey. It is a tool that helps define the issues that have, or could have, a substantial impact (positive or negative) on the actions and decisions of the company or its stakeholders. Consequently, it provides guidelines to follow for achieving positive outcomes and responsible growth in governance and sustainability dimensions in its three areas: economic, environmental, and social.

To identify the material topics for this Sustainability Report, Padana Tubi's Top Management engaged in a process of reflection, sharing, and updating the topics assessed in the 2022 reporting. This evaluation led to the creation of a materiality matrix, placing all the topics considered material for Padana Tubi on the X-axis – those aspects relevant to the company, serving as the starting point for defining the company's strategy, objectives, and intervention priorities – and the stakeholders' perspective on the Y-axis. In anticipation of aligning with CSRD obligations in the coming years, the external stakeholder evaluation conducted in 2023 also served as the basis for this Sustainability Report.

The materiality analysis led to a reevaluation of the topics considered material for Padana Tubi in the previous reporting year. These topics, in turn, are the result of a documentary analysis of Padana Tubi's ESG issues, consistent with the materiality derived from the SASB analysis and the GRI standard study. The topics were then reprioritised by the company's management, which assessed the importance of individual issues through a comparative workshop.

The topics identified as highly material and priority for this Sustainability Report are the following:

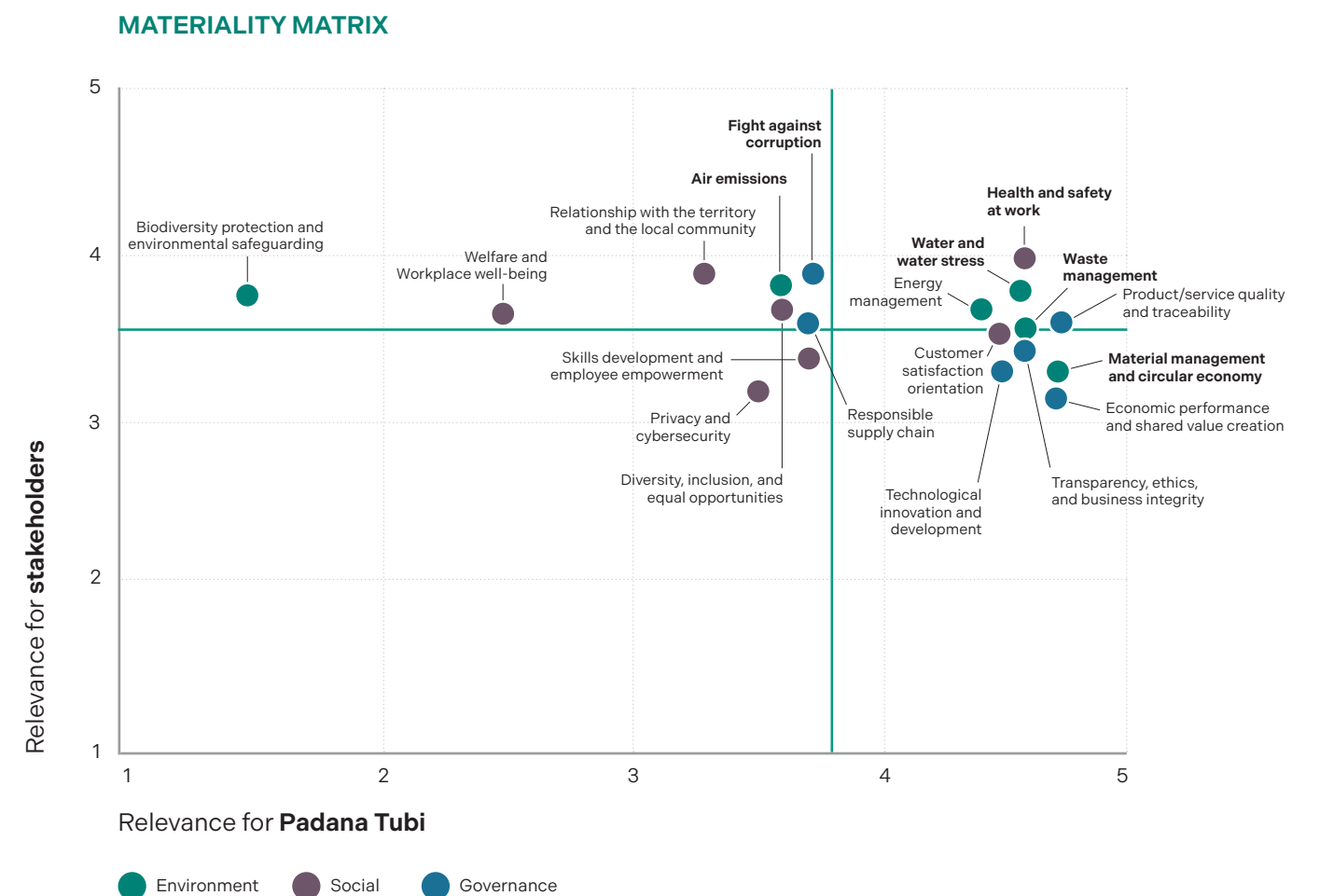


The materiality analysis also identified emerging topics, considered relevant for the company as they represent the sustainability impacts generated by Padana Tubi on the environment, the economy, and people. Actions are underway to monitor these topics.

These include:



In the materiality matrix below, all the topics evaluated by the company have been included.



Sustainable Development Goals (SDGs): Padana Tubi's Contribution

The Sustainable Development Goals (SDGs) are a set of 17 objectives defined by the United Nations, aimed at guiding countries and organisations worldwide in reducing inequalities, promoting economic prosperity, fostering social development, and protecting the environment. Each goal includes 169 specific targets; together, they form the core elements of the 2030 Agenda for Sustainable Development.

Contributing actively to achieving global sustainability challenges is currently a priority for institutions, businesses, and organisations. In light of its scope of action, Padana Tubi has correlated the SDGs with its material topics through an analysis of the GRI indicators reported during 2023, the objectives related to the projects initiated and supported concerning the SDGs and targets, according to the document "Framework Linking the SDGs and the GRI Standards," an updated guide (May 2021) by the Global Reporting Initiative, which helps organisations correlate the targets of each of the 17 SDGs with the GRI Standards disclosures.



Economic-financial results

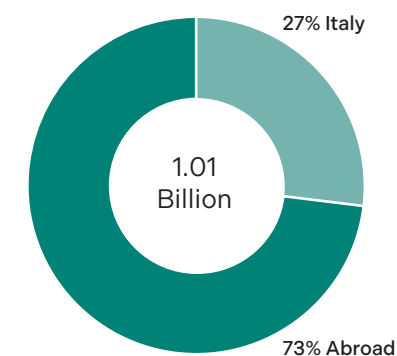
The year 2023 was characterised by a complex and highly unstable international geopolitical scenario. The war in Ukraine and the Middle Eastern conflict contributed to the creation of a climate of political tensions and complicated the trade and distribution of products passing through the Suez Canal. Additionally, these conflicts made the management of international imports and exports difficult. The steel sector also suffered the impacts of this complex situation, further exacerbated by the inflation recorded throughout Europe during the year, which affected all countries, including Germany, a key sales market for Padana Tubi.

However, 2023 saw a progressive and lasting decline in gas and electricity prices, which had risen exponentially in 2022 due to the Russian-Ukrainian conflict. On the other hand, the average prices of European steel recorded a sharp decline of about 25%, a factor that, together with the global scenario, undoubtedly affected the final results achieved.

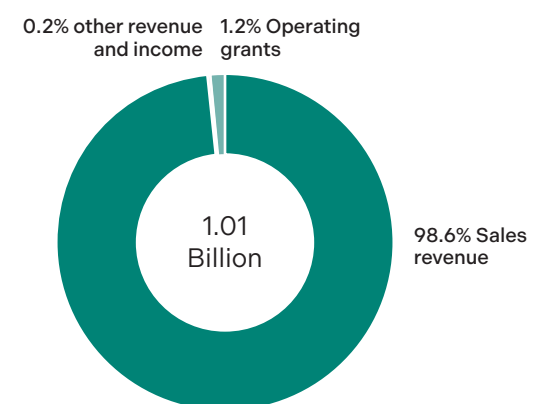
In 2023, Padana Tubi recorded a contraction in **sales revenues** of approximately 20% compared to 2022, amounting to **1,014,583,548** euros, and a 61% contraction in net profit (34,570,918 euros in 2023).

Revenues from foreign sources decreased by two percentage points compared to the previous year, with 73% of the value compared to 77% in 2022, while the share of sales in the Italian market increased to 27%.

REVENUE 2023 BY GEOGRAPHICAL AREA



VALUE OF PRODUCTION 2023



MAIN ECONOMIC FINANCIAL DATA OF PADANA TUBI

	2022	2023
Revenue	1,263,312,949	1,014,583,548
Production Value	1,275,635,293	1,012,056,081
Net Profit	89,233,725	34,570,918
EBITDA	176,299,191	93,413,405
EBITDA/Production value%	0.14	0.09

FINANCIAL DATA

	2022	2023
Net equity	809,617,199	838,730,845
Net financial position (NFP)	430,159,883	413,223,490
Investments in plants	29,993,038	16,625,407

During 2023, Padana Tubi made **investments in plants amounting to 16,625,407 euro** and continued with investments in infrastructure. In particular, in 2023, the company carried on with the project for the construction of a new facility (Warehouse P) of approximately 15,000 square metres, where a production plant for a new range of stainless steel tubes will be installed. The project is expected to be completed in 2024, with the production line becoming operational in 2025; Furthermore, the installation of an additional photovoltaic system with a capacity of 861.82 kWp is planned. In 2023, the new tube profiling line in Warehouse O was fully operational, with its construction completed during 2022. This facility is also equipped with a significant photovoltaic system.

Generated and distributed economic value

Padana Tubi recognises the importance of an equitable distribution of the value generated by its activities to stakeholders, value that they – directly or indirectly – have contributed to generating.

The table below highlights the generated and distributed value, prepared based on the income statement for the reference period, in accordance with GRI standards. Historical data for 2022 are provided for comparison over the years.

The objective is to highlight the flow of financial resources directed by the company to internal and external stakeholders: employees, suppliers of goods, services, and capital, Public Administration, and the communities in which it operates.

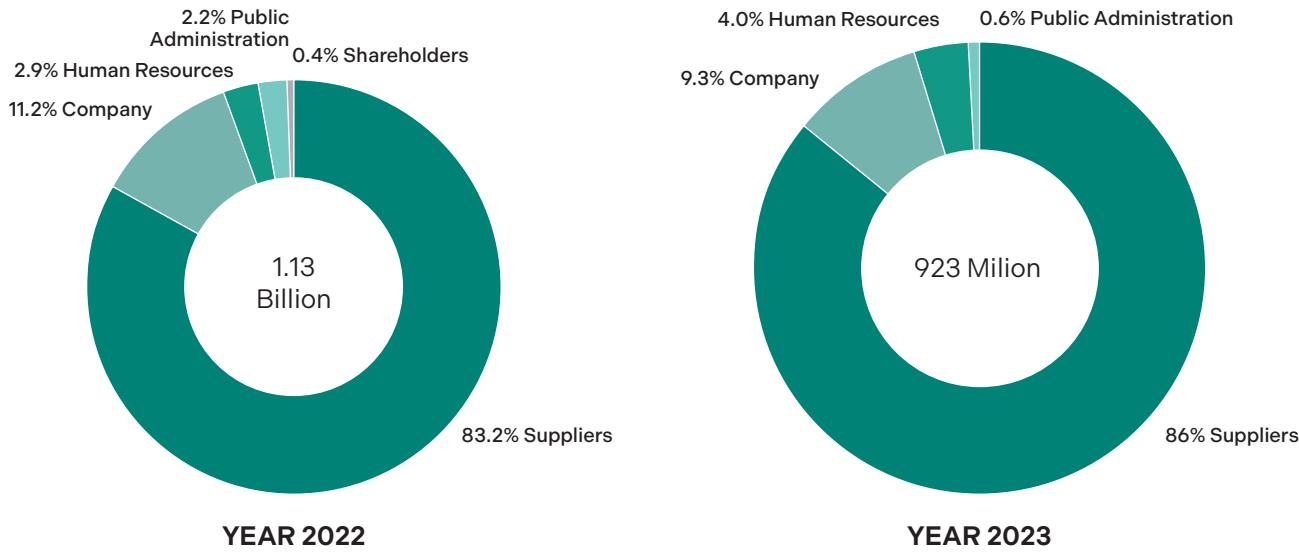
- The **generated economic value** refers to the production value as per the financial statements considered (Sales revenue and Other operating income), including financial income and changes in inventories of work-in-progress, semi-finished, and finished products.
- The **distributed economic value** refers to the wealth generated and distributed to certain categories of entities that, with their different contributions, have helped generate value and/or are among the main stakeholders. The “Suppliers - Operating Costs” item also accounts for inventories of raw materials, subsidiaries, consumables, and goods.
- The **retained economic value**, on the other hand, represents the part of economic resources retained within Padana Tubi for its own sustenance and long-term sustainability. The value includes depreciation of tangible and intangible assets and the net profit for the year, excluding the amount of dividends distributed.

In 2023, the economic value generated by Padana Tubi amounted to €1,018,302,217, a total decrease of 20% compared to 2022.

The economic value distributed by Padana Tubi to its various stakeholders in 2023 amounted to €923,396,738, which is 90.7% of the total generated value, amounting to 1,130,961,336 euros in 2022. The main categories of stakeholders involved are suppliers and human resources, for which it has been distributed respectively 86 % and 4% of the generated wealth.

The value retained in the company, which is the difference between economic value generated and distributed, amounts to €94,905,479, a decrease of 34% compared to 2022.

DISTRIBUTION OF ADDED VALUE TO STAKEHOLDERS



For more information on the economic reconciliation related to the retained value and the net result for the reference period of this document, please refer to the Company's 2023 financial statements.

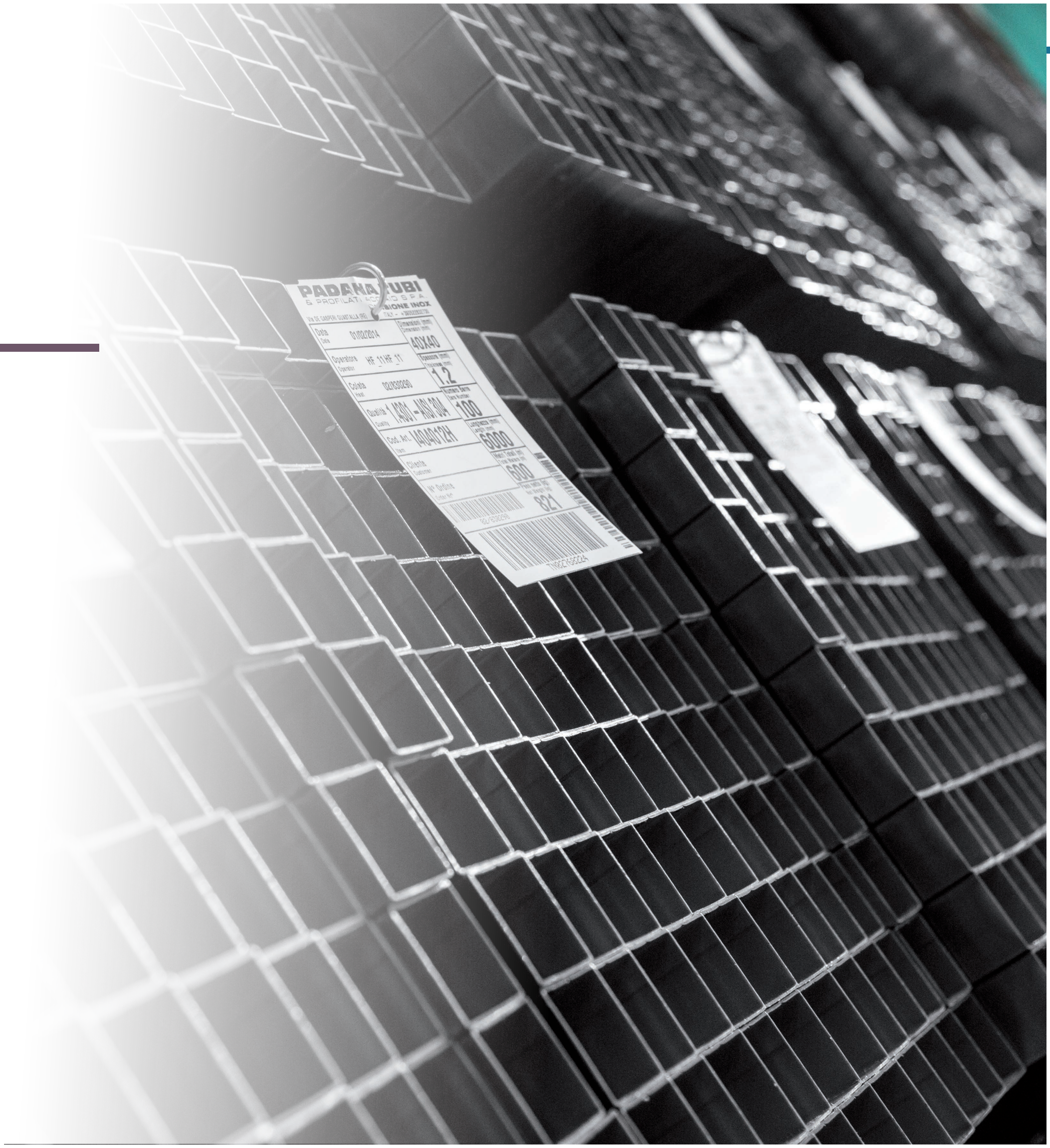
DETERMINATION AND DISTRIBUTION OF ADDED VALUE

	2022	%VAL	2023	%VAL
ECONOMIC VALUE GENERATED	1,273,730,553	100%	1,018,302,217	100%
ECONOMIC VALUE DISTRIBUTED	1,130,961,336	88.8%	923,396,738	90.7%
Suppliers	1,060,019,127	83.2%	875,384,908	86%
Human Resources	37,069,079	2.9%	40,940,794	4%
Banks and other financiers	396,664	0.0%	667,741	0.1%
Public administration	27,600,860	2.2%	6,069,951	0.6%
Local community	418,333	0.0%	333,344	0.0%
Shareholders	5,457,273	0.4%	-	0.0%
ECONOMIC VALUE RETAINED	142,769,217	11.2%	94,905,479	9.3%



3

Quality as a priority



The quality management system

MATERIAL TOPIC SDGs 8,9,12

Adopting procedures and systems aimed at ensuring high product quality standards: this is the commitment of Padana Tubi, whose goal is to offer a reliable service that consistently maintains the ability to fully and effectively respond to the diverse needs and demands of the market.

Padana Tubi is committed to ensuring the achievement and maintenance of adequate quality standards for the products offered; to this end, it has subjected its production and organisational processes to **UNI EN ISO 9001 international certification, in addition to adopting a Quality Policy.**

The presence of well-defined operational procedures and instructions, constantly updated to the company's technical and organisational development, enables Padana Tubi to ensure high-quality standards throughout the value chain of its activities: from the acceptance of incoming materials to the inspection and testing of the process and finished product, from the supply of reliable products in compliance with current regulations to an internal culture of continuous improvement aimed at achieving customer satisfaction, from the consolidation of economic sustainability to the care and monitoring of social and governance aspects.

Periodic audits are scheduled and carried out to provide a detailed and constantly updated overview of the company situation in relation to the requirements specified in the procedures. In particular, inspections are more frequent and detailed in areas that are more important for quality: Commercial Area, Carbon Steel Production Area, Inox Production Area, and Purchasing Area. However, all company activities are subject to inspection at least once a year.

Quality, traceability, reliability, and product safety

Padana Tubi ensures high-quality standards for its products thanks to the particular attention it dedicates to carrying out adequate and precise product and process controls.

Within the quality system, **a traceability system for raw material batches and finished products is ensured**, regulated by an appropriate procedure created according to the specifications dictated by product standards.

The traceability of coils, slit strips, and tubes is ensured by a dedicated management system through a specific coding system. Each coil, each strip generated from a coil, and each tube generated from a strip are identified by a unique batch code. When queried, this code enables the genealogical tree of the product to be recreated.

The following are the main factors ensuring quality: **adequate incoming inspections for raw material procurement, timely controls of production processes, the use of cutting-edge technologies, and specific expertise for testing finished products in compliance with relevant standards.**

LABORATORIES AND CUTTING-EDGE TECHNOLOGY

The materials, carefully selected by Padana Tubi, guarantee very high quality standards. The company has two laboratories: the first is located at the Portamurata production site and the second, inaugurated in 2023, is situated in the industrial area of San Giacomo. Both facilities are equipped with cutting-edge equipment capable of conducting hardness, tensile, and resilience tests, chemical analysis, and macrographic/micrographic examinations of the base material and the heat-affected zone (welded area of the profile).

The tests are conducted to verify that the manufactured products meet the technical specifications of the reference standards, in particular:

- For the carbon division, compliance with all the requirements related to the certification of factory production control described in EN 10219-1 is ensured;
- For the Inox division, specific product control certificates are issued within the framework of

longitudinally welded austenitic steel tubes under the quality system and in accordance with the Pressure Equipment Directive 2014/68/EU and applied technical specifications (10217).

In addition, assessments are carried out on the health and safety impacts of production processes. Special attention is given to the welding of Inox steel tubes, where process controls and fume capture are particularly important due to the alloy elements present (chromium and nickel). Thus, a dedicated health protocol is applied to workers engaged in welding these materials, in addition to adhering to a specific protocol typical of the metalworking sector.

Thanks to constant attention to quality and continuous monitoring of production processes, **Padana Tubi has not detected any instances of non-compliance regarding the health and safety impacts of products and services with relevant regulations in the past two years.**



Incoming material is carefully selected and subjected to acceptance controls which include: the sizing of samples; the operating control methods; the material acceptance criteria; the indications for recording; the identification of compliant and potentially non-compliant material.

Production processes are supported by a series of **procedures/operating instructions** that define the criteria and methods to be followed to keep the tube manufacturing parameters under control, thus ensuring the achievement of products corresponding to the requirements of the reference standards and customer orders.

Finished products are subjected to specific tests carried out in the **internal laboratory using cutting-edge technologies** and equipment and qualified technicians to ensure compliance with reference standards and, in particular, the CE/PED Directive.

For each stage of profile production, specific controls are provided, such as:

- **Control of the maintenance of welding efficiency** through the eddy current method UNI EN ISO 10893-2;
- **Dimensional checks carried out with regularly calibrated instruments;**
- **Surface appearance control;**
- **Recording of results** and forwarding to management regularly coded according to ISO 9001:2015 to interpret the results obtained.



PERFORMANCE VERIFICATION ACCORDING TO THE CE MARKING DIRECTIVE

The CE marking requires the manufacturer to prepare a fabrication and control plan (FPC), which includes the continuous verification of the performance characteristics of the profiles. These characteristics are verified by the internal laboratory through:

- tensile test in accordance with UNI EN ISO 6892-1: this involves subjecting a standard-sized specimen to an increasing uniaxial tensile load until it breaks. This test determines elongation, tensile strength, and yield strength, which indicate the quality of the steel;
- resilience test in accordance with UNI EN ISO 148-1: this involves freely dropping a hammer (pendulum) from a predetermined height onto a prismatic specimen supported at both ends. This test measures the toughness of the steel, i.e., its ability to absorb energy before breaking.
- chemical analysis: this involves analysing metal samples using a mass spectrometer that identifies the percentage of elements in the alloy. This test also determines the weldability index of the steel;
- non-destructive welding tests: these are performed in line using the eddy current method in accordance with UNI EN ISO 10893-2.

TECHNOLOGICAL INNOVATION AND PROCESS DIGITALISATION: PADANA TUBI'S INVESTMENTS

For several years now, Padana Tubi has been heavily investing in technological innovation and process digitalisation. To this end, it has developed the **Industry 4.0** project to create interconnections between different production lines.

The digitalisation process will, over time, streamline production phases, enabling the monitoring and obtaining of a more detailed evaluation of costs, faults, intervention times, and any abnormal consumption. This will make it possible to reduce energy consumption and waste in the long term.

In 2022 and 2023, the 4.0 project was integrated with functionalities useful for facilitating remote supervision, monitoring plant performance, and maintenance operations. In 2023, this process particularly involved the Inox Division, as a new update was implemented in the production management system used for scheduling and monitoring profiling lines.

The revamps carried out last year on the production lines brought several improvements in automation, simplifying certain activities for the operators. The adoption of shared procedures with suppliers on safety issues, along with the installation of new physical and intangible protections, ensures a high level of safety for workers operating on the profiling lines. Furthermore, the introduction of new machines and semi-machines on existing plants has improved product quality and expanded the range of profiles that can be produced.

In 2022, the construction of the new SMS production plant (SMS Group 18" line) and dedicated FIMI slitter was completed, enabling full production capacity in 2023. A dedicated quality laboratory branch has also been set up to support the new plants, providing necessary upstream and downstream process controls.

Client orientation: a relationship built on trust

EMERGING THEME SDGs 8,12

Client relationships and their satisfaction are essential elements for good market positioning. At the core of a continuous and profitable relationship is the ongoing improvement of the quality of service offered and transparent, digital communication. The constant pursuit of maximum client satisfaction and their protection is one of Padana Tubi's primary objectives, whose approach is focused on understanding their needs.

Padana Tubi's clients are primarily steel distributors and service centres that resell the company's products at retail or perform additional processing before sale, such as length reductions, surface treatments, laser perforations, and end deformations.

As of 31 December 2023, Padana Tubi had 835 clients with open accounts, 315 of which are in Italy, and the remaining 520 predominantly in Europe.

Client complaints that are not transmitted through Non-Conformity Reports are recorded on the "Non-Conformity Management" form, specifying the problem and establishing remedies to address the complaint. Client satisfaction is assessed through direct contact between clients and the relevant sales manager, as well as by monitoring specific indicators identified during the "Management Review," where information received is summarised to obtain a measurable result related to client satisfaction.

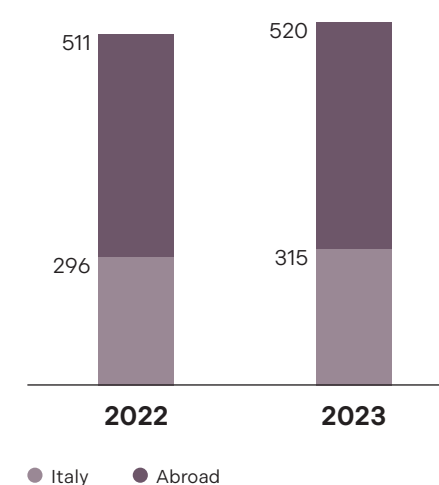
As much as possible, the company strives to maintain a continuous and stable relationship with clients, internally monitoring their loyalty rate. For example, in the **Carbon division** in 2023, about **17% of Padana Tubi's clients**—representing 51% of shipments—**have been among the clients who have contributed to more than 80% of the total revenue for at least five years**. In the **Inox** sector, the percentage is even higher, with nearly **24% of the company's clients**—representing 60% of shipments—being in this position for **at least five years**, demonstrating strong loyalty and commitment to Padana Tubi.

Finally, the company has an **e-commerce system** that, through an integrated flow with Padana Tubi's management system, enables clients to quickly and conveniently submit requests in digital format. These requests are then processed through the company's management system, enabling a rapid quotation and automating the order entry process.

POLICY AND DATA MANAGEMENT

Personal data related to clients and suppliers are properly stored and managed as required by privacy legislation. Padana Tubi, through the Privacy Register, monitors the total number of verified complaints received regarding client privacy violations. In the 2022-2023 period, no cases of privacy violations or cyberattacks were recorded.

CUSTOMERS BY LOCATION



The company manages client relationships by monitoring two crucial aspects: **complaint management and loyalty rate measurement**.



Supplier selection and evaluation: from quality to sustainability principles

EMERGING THEME SDGs 8,12

A responsible management of the supply chain involves monitoring and evaluating the social and environmental impact of suppliers. The selection of suppliers must consider the quality of the products or services purchased, in compliance with current regulations regarding fairness, transparency, and respect for human rights. This approach also promotes a culture of sustainability throughout the entire supply chain. In selecting its partners, Padana Tubi considers significant elements such as stability, reliability, and the adoption of ethically responsible behaviors.

The relationships that Padana Tubi establishes with its main suppliers go beyond simple commercial transactions; they represent a very important strategic lever for building mutual trust and capturing the necessary stimuli for continuous innovation towards sustainable growth.

Padana Tubi manages relationships with suppliers with loyalty, fairness, and professionalism, encouraging continuous and synergistic collaborations, thanks to its ability to establish solid and lasting trust-based relationships.

The selection of suppliers and the determination of purchasing conditions are based on objective and impartial evaluations founded on technical and economic criteria, such as quality, price, guarantees provided, and other requirements of necessity and utility.

The choice of suppliers and service providers is carefully evaluated, with the aim of ensuring that all requirements in terms of health and safety in the workplace, as well as all wage, contribution, and tax obligations, are met. The company is committed to working only with qualified and reputable businesses and professionals, who are required to adhere to the principles expressed in its Code of Ethics and with whom it shares the adoption of Model 231.

Attention to ethically responsible behaviour has led the company to continue evaluating suppliers based on specific social and environmental criteria; In fact, in 2023, Padana Tubi decided to administer a **questionnaire** to new suppliers, investigating **environmental and social information**. This survey is in addition to the documents that have always been

required for collaboration, such as the Chamber of Commerce registration, the DURC, and the DURF, and, in the case of steel mills, documents such as DoP, REACH, RoHS, and Conflict Minerals. Where available, EPD studies and Organisational Carbon Footprint are also requested. Furthermore, the company requests information on the environmental management system employed and the methods for managing produced waste. It investigates the possible adoption of the Organisational, Management, and Control Model pursuant to Legislative Decree 231/01 and the methods used for workplace safety management.

Out of **56 questionnaires** sent to new suppliers, the company received **22 responses**, with a response rate of 39%.

The rate of new suppliers actually subjected to an investigation based on environmental and social criteria was 28% (with 22 responses out of 78 new suppliers).

Padana Tubi's supply chain is composed of the following categories:

- **Suppliers of raw materials (steel mills)**
- **Suppliers of services/third-party services**
- **Suppliers of secondary materials**
- **Transporters**
- **Suppliers of plants, equipment, buildings**

The company relies on raw material suppliers for the procurement of carbon and inox coils; from secondary material suppliers, for consumables and other necessities for production activities. Suppliers are selected and evaluated based on their organisation (normally with a certified quality system) and their ability to provide the necessary documentation to demonstrate product compliance.

Service suppliers provide consultancy, tube processing such as galvanising, satin finishing, and polishing, maintenance services for equipment/plants following the purchase of spare parts from catalogs or custom designs, and various building maintenance services.

Transporters handle the collection of raw materials and delivery to clients, as well as the possible collection of spare parts/equipment/plants from suppliers.

During the reporting period covered by this Sustainability Report, **Padana Tubi had a total of**

841 active suppliers (832 suppliers in 2022) and an **expenditure on supplies amounting to 937,851,232 euros, a decrease of about 12% compared to the previous year.**

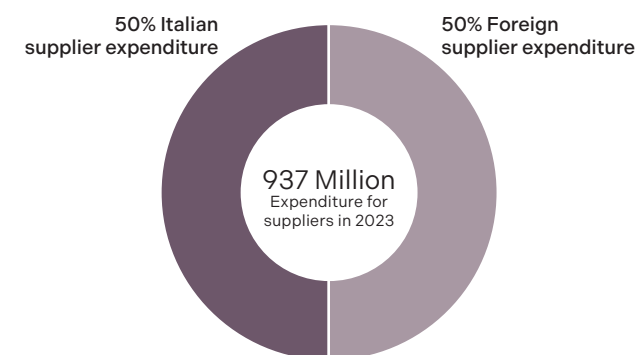
The percentage of local² procurement was 50% of purchases, with an expenditure of 468,744,407 euros (-32% compared to 2022).

Almost all national suppliers are located in Northern Italy, with a higher concentration in Lombardy, Emilia-Romagna, and Veneto. Purchases within Italian territory are focused on raw materials, whose expenditure covers 59% of total revenue. Evaluating supplies at the national level, excluding raw material supply, Emilia-Romagna leads in providing various

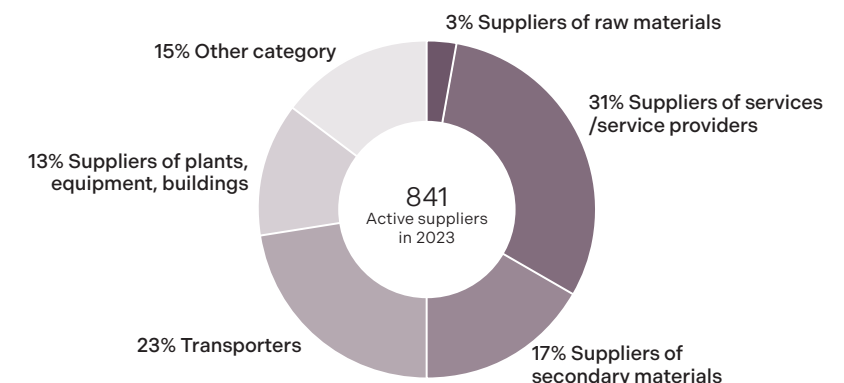
services, consumable materials, and equipment, justifying Padana Tubi's preference for local suppliers who can guarantee timely, reliable, and quality service. **The choice to rely on local supplies for the above purchases facilitates direct relationships with suppliers who better understand the buyer's needs and eases any immediate interventions that may be necessary to resolve faults and/or anomalies.**

Regarding transport services, foreign transport is significantly higher than Italian transport, representing 70% of the total, with revenue more than double that of Italian transporters. This confirms that Padana Tubi's sales are predominantly aimed at the foreign market.

PROCUREMENT EXPENDITURE 2023



SUPPLIERS BY CATEGORY 2023



PROCUREMENT EXPENDITURE

	2022		2023	
	€	%	€	%
Total expenditure for suppliers	1,061,267,231	100%	937,851,232	100%
Budget spent on local suppliers	691,491,793	65%	468,744,407	50%

Steel mills, suppliers of raw materials, are the main players in the supply chain, whether national, within the European Union, or outside the EU, along with the services provided by transporters. However, the global geopolitical context, characterised by a general sense of pessimism due to factors such as the ongoing war in Ukraine, the conflict in the Middle East, and the increase in interest rates and inflation, has created a complex scenario, exacerbating the crisis in the construction industry and many steel-consuming industrial sectors across Europe.

² By local procurement, we mean supplies sourced from the national (Italian) territory

In this scenario, and during the reporting year of this Sustainability Report, the purchase of raw materials was primarily focused on the European and extra-European markets (54%), with the remainder sourced from the national market. Given the constant evolution of the market, it is difficult for the company to define a clear and straightforward strategy, as well as to make a realistic estimate of what the supply chain will be like in the coming years. This assessment is further complicated by the implementation of the CBAM mechanism, and the new developments it will introduce.

4

The centrality of people



Enhancement of resources and workforce composition

GRI 2-7|GRI 2-8|GRI 2-30| GRI 401-1|GRI 404-1|GRI 405-1|GRI 406-1

Human resources represent the beating heart of the company and are a determining factor for success, an indispensable and valuable asset for company development and progress.

The care of the people within the company is inspired by the principles of the Code of Ethics; from this perspective, the company is publicly committed to ensuring dialogue and communication in the workplace to avoid any form of discrimination.

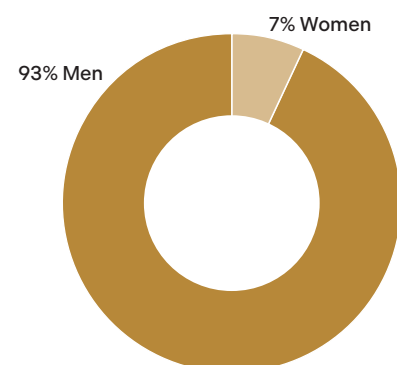
The steel sector is characterised by a high level of technical specialisation and continuous attention to process innovation and energy resource management. These aspects, closely linked to value chain management, have evident direct and indirect impacts on the creation of competitive advantage for businesses and the management of relationships with stakeholders, particularly employees.

In managing personnel, Padana Tubi promotes interventions and projects aimed at training and professional development, full compliance with laws, with particular reference to issues related to health and safety at work.

Observing the composition of Padana Tubi's workforce, **the total number of employees as of 31.12.2023 is 741, of which 690 are men and 51 are women (+4% compared to 2022).**

The gender composition observed at Padana Tubi in 2023 remained almost unchanged: the workforce consists of 93% men and 7% women, who almost entirely hold clerical positions; the gender composition of the company thus appears in line with

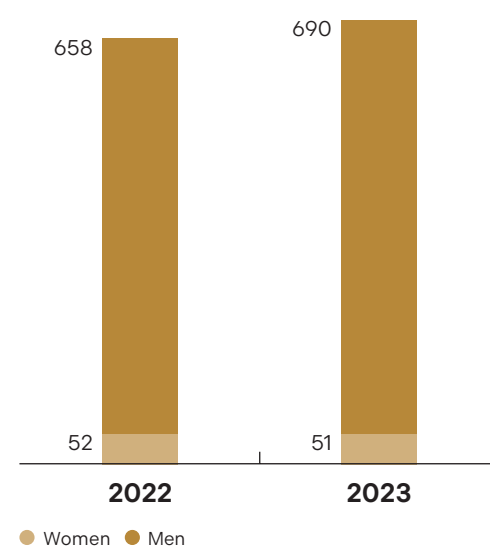
EMPLOYEES BY GENDER AS OF 31/12/2023



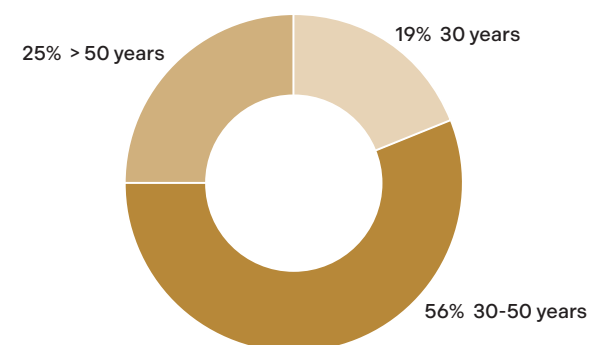
both the type of activities carried out by the sector and the cultural heritage that the sector is destined to offer predominantly male jobs.

Regarding the age distribution, in 2023 **the percentage of staff under 30 increased (accounting for 19% of the workforce, with 143 employees in 2023 compared to 115 employees in 2022)**, while the proportion of workers aged between 30 and 50 years decreased by 4 percentage points (56% of the total with 413 employees); the remaining 25% of workers are over 50 years old (185 employees).

PADANA TUBI EMPLOYEES

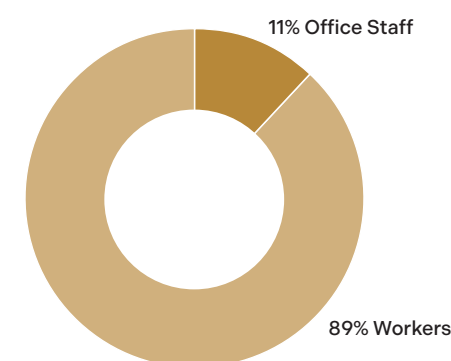


EMPLOYEES BY AGE AS OF 31/12/2023



Regarding the classification of personnel by professional qualification, the data collected show that the most represented category consists of **workers**, who at the end of the reporting year number 660 people, accounting for 89% of the total workforce. This is followed by 81 **office staff** (of whom 45 are women), representing 11% of the workforce

EMPLOYEES BY PROFESSIONAL QUALIFICATION AS OF 31/12/2023



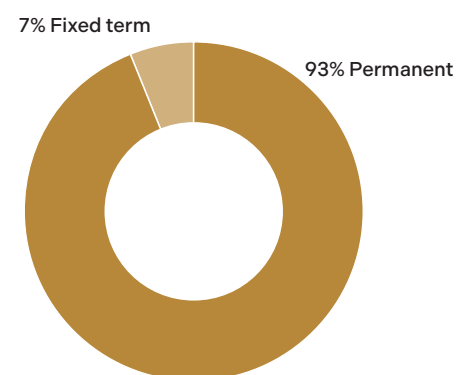
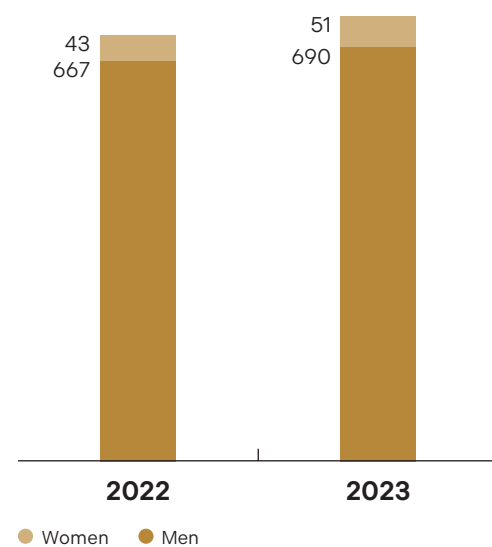
Regarding contractual arrangements, Padana Tubi **favours permanent contracts, applied to 93% of the workforce in 2023, and full-time employment, used for 99% of employees, a percentage that has remained stable for several years.** The remaining portion is represented by fixed-term contracts (involving 51 employees in total); **all personnel hired by the company are through direct contracts with the company itself, avoiding the use of agency workers.**

Padana Tubi does not employ non-employees for significant activities of the organisation; when specific skills not available within the company are needed (such as for specific maintenance interventions, the construction of plants and buildings, or necessary cleaning and sanitisation activities), the company relies on specialised external workers.

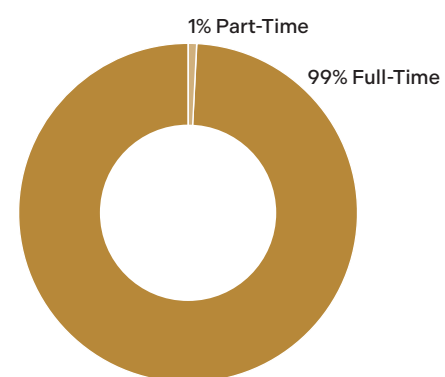
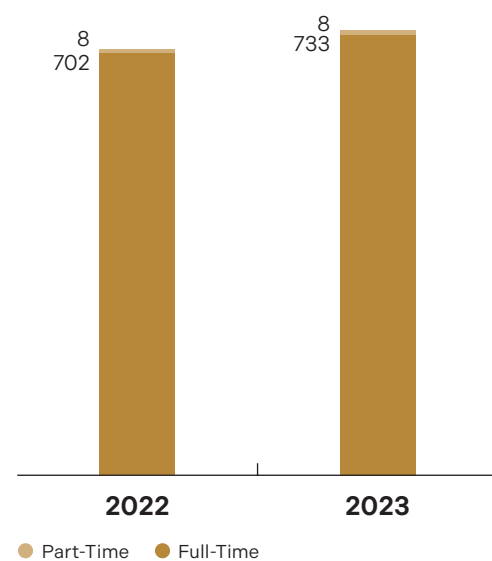
This data is indicative of the importance of employee loyalty and the desire to receive and offer stability through the possibility of embarking on a continuous professional growth path and secure employment.



EMPLOYEES BY CONTRACT TYPE AS OF 31/12/2023



EMPLOYEES BY EMPLOYMENT TYPE AS OF 31/12/2023



The management of policies and working conditions for all Padana Tubi employees is regulated by national regulations, industry-wide collective bargaining agreements (CCNL for the metalworking and plant installation industry), and a company-specific supplementary contract.



NEW HIRES AND TURNOVER

In 2022, there were **86 hires** (1 woman and 85 men) compared to **55 departures** (2 women and 53 men) due to voluntary resignations, contract terminations, and retirements.

About half of the total hires involved young people under the age of 30, a figure that confirms the company’s focus on youth employment. In 2023, **49% of new hires were under 30 years old** (37% in 2022) and **41% were between 30 and 50 years old** (60% in 2022).

Workers under 30 were given the opportunity to follow some hours of voluntary professional training as provided for by the new company contract.

Moreover, when examining personnel turnover, it is evident that the hiring rate³ has increased compared to previous years, where it was +9%/+10%, now reaching +12%. The outgoing turnover rate⁴ is 8%, a decrease of 2 percentage points from 2022.

Overall, the turnover for the 2022-2023 biennium is positive, standing at +4%.

PARENTAL LEAVE

In 2023, 16 employees eligible for parental leave utilised this benefit, including 6 women and 10 men. During the reference period, the return-to-work rate was 100% for both men and women. Twelve employees remained employed 12 months after returning to work.

³ The incoming turnover rate (or positive turnover rate) is calculated by the ratio of the number of people hired during the period considered to the total number of employees at the beginning of the year.

⁴ The outgoing turnover rate (or negative turnover rate) is calculated by the ratio of the number of people who left the company during the period considered to the total number of employees at the beginning of the year.

EMPLOYEES BY CONTRACT TYPE AND GENDER

	2022			2023		
	Women	Men	Total	Women	Men	Total
Permanent	51	616	667	50	640	690
Fixed-term	1	42	43	1	50	51
Total	52	658	710	51	690	741

EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

	2022			2023		
	Women	Men	Total	Women	Men	Total
Full-time	47	665	702	45	688	733
Part-time	5	3	8	6	2	8
Total	52	658	710	51	690	741

HIRES

	2022		2023	
	n.	%	n.	%
Total Hires (Incoming Turnover Rate)	63	9%	86	12%
Men	62	98%	85	99%
Women	1	2%	1	1%
< 30 years	23	37%	42	49%
30-50 years	38	60%	35	41%
>50 years	2	3%	9	10%

TERMINATIONS

	2022		2023	
	n.	%	n.	%
Total Terminations (Outgoing Turnover rate)	68	10%	55	7%
Men	65	96%	53	96%
Women	3	4%	2	4%
< 30 years	22	32%	13	24%
30-50 years	31	46%	27	49%
>50 years	15	22%	15	27%

REASON FOR TERMINATION

	2023		
	Women	Men	Total
Voluntary Departures	2	20	22
Retirement	-	10	10
Other (e.g. end of fixed-term contracts)	-	23	23
Total	2	53	55

EMPLOYEES BY JOB CATEGORY AND GENDER

	2022			2023		
	Women	Men	Total	Women	Men	Total
Managers	0	0	0	0	0	0
Clerical Staff	47	35	82	45	36	81
Workers	5	623	628	6	654	660
Total	52	658	710	51	690	741
Percentage	7%	93%	100%	7%	93%	100%

EMPLOYEES BY JOB CATEGORY AND AGE GROUP

	2022				2023			
	<30 years	30 -50	>50 years	Total	<30 years	30 -50	>50 years	Total
Managers	0	0	0	0	0	0	0	0
Office Staff	18	53	11	82	18	50	13	81
Workers	97	370	161	628	125	363	172	660
Total	115	423	172	710	143	413	185	741
Percentage	16%	60%	24%	100%	19%	56%	25%	100%

Training as a tool for professional growth

EMERGING THEME SDGs 4,5,8,10
Human resource management includes training, research and development, and engagement activities to retain talent and enhance their potential. The professional development of employees is an ongoing process through which workers improve their skills and acquire new ones to perform their jobs effectively and efficiently. Padana Tubi believes that professional growth is a central element to fostering business development, ensuring quality, and guaranteeing that work is carried out safely.

The steel industry is characterised by increasingly advanced and innovative **technologies, complex processes, and a work environment that requires a high degree of technical competence and safety**; for this reason, training plays a crucial role.

In light of the physiological and constant increase in the skills required of workers who operate cutting-edge plants every day, Padana Tubi values its people, enriching their wealth of experiences and knowledge through targeted information and training programmes.

The company annually plans technical training for the development of staff competencies, both mandatory and optional, in collaboration with external companies. Additionally, Padana Tubi has implemented an employee performance evaluation process that allows for the analysis of staff work activities, with a view to continuous improvement and professional growth. Evaluations are usually conducted once a year by the Human Resources manager.

In 2023, the total training provided to employees saw a significant increase of 33%, amounting to 8,104 hours.

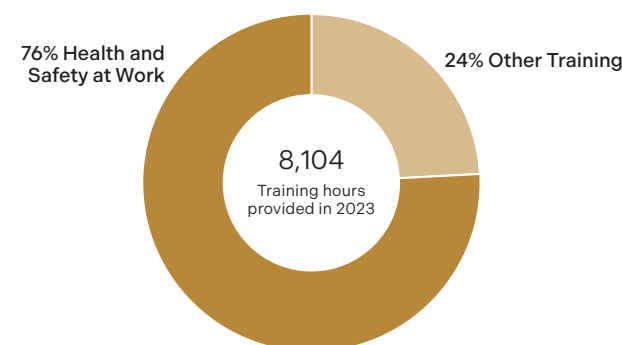
Of these, **6,155 hours (76% of the total) were dedicated to Health and Safety at work** with general and specific training provided in accordance with Article 37, Paragraph 2 of Legislative Decree 81/08, as regulated by the State-Regions Agreement in effect since 26/01/12 for all workers employed by the company.

For a detailed overview of the training activities conducted on Health and Safety, please refer to the dedicated section "Health and Safety at Work: Commitment, Principles, and Responsibilities" in this document.

Additionally, in 2023, the company committed to providing training and updates for its employees regarding the content and application of Decree 231/01, the correct interpretation of payslips, and the use of the dedicated welfare platform. It also offered internal professional development courses, including updates on job tasks and training in quality, tax compliance, new European regulations, and more.

The category that benefited the most from training in 2023 was the workers, who received 93% of the total training, specifically 7,726 hours.

TRAINING HOURS YEAR 2023



OBJECTIVE FOR 2024

The company intends to expand the range of training topics, including those related to cybersecurity and information security. An update course on the implemented environmental management system is also planned to ensure greater clarity on the procedures and objectives required by the application of ISO 14001.

Participation in various courses related to updates on tax compliance and everything concerning the implementation of new regulations and/or procedures affecting company activities will continue.

Diversity, inclusion and equal opportunity

EMERGING THEME SDGs 8,10
Respect for the fundamental values of diversity, equity, and inclusion involves recognising the unique value that each employee represents for the company, combating all forms of discrimination and violence in the workplace, and ensuring equal opportunities for professional and personal growth in a safe and protected work environment.

The company is committed to respecting the issues and principles contained in the fundamental conventions on human rights of the International Labour Organisation (ILO) ratified by Italy and declares that no cases of discrimination occurred during the reporting period considered.

The total workforce of Padana Tubi in 2022 consisted of 22 people belonging to protected categories, of whom 21 are male workers and one is a female office staff member.

Regarding freedom of association and collective bargaining, Padana Tubi is engaged in continuous dialogue with trade unions to ensure compliance with regulations and meet the needs of its employees. In particular, collective bargaining applies to 100% of employees and follows the provisions of the **first and second level collective agreements for metalworkers**. The Organisation, Management, and Control Model and the Code of Ethics specify

all aspects to be protected in relations with staff and social partners. As provided by these collective agreements, employees can take advantage of flexible benefits, including the issuance of shopping vouchers worth 200 euros each annually and access to medical assistance programs (Fondo Metasalute). In 2023, a fuel voucher worth 150 euros was also provided. Additionally, as agreed in the company's supplementary contract, Padana Tubi renewed its commitment to the children of employees who graduated during the year with high marks, awarding them a scholarship of 400 euros.

Finally, starting in 2022, the company has provided the option to **convert the company bonus into welfare benefits**. This allows employees to increase their purchasing power for goods and services. This initiative is part of the second-level bargaining agreement; however, Padana Tubi recognises an additional bonus equal to 10% of the amount converted into welfare, along with an additional fixed increase in case the entire bonus is converted into welfare.



Health and Safety at Work: Commitment, Principles and Responsibilities

GRI 403-1| GRI 403-2|GRI 403-3|GRI 403-4|GRI 403-5|GRI 403-6|GRI 403-7|GRI 403-8|GRI 403-9|GRI 403-10

MATERIAL TOPIC SDGs 3,8

The protection of the health and safety of employees is a primary objective for Padana Tubi, contributing to the success of the company. The company is actively committed to creating a culture of safety, which it promotes through the involvement of all operators and the implementation of systematic monitoring, providing a comprehensive view of all aspects related to health and safety.

In Padana Tubi's business activities, the handling of heavy loads and the use of complex machinery are very common, which is why a constant commitment is necessary to ensure a safe and reliable working environment.

Padana Tubi has voluntarily chosen to adopt and certify **its management system in accordance with the requirements of ISO 45001:2018, with the aim of promoting and ensuring the health and safety of its employees** in all places where staff carry out their work activities.

Each employee is called upon to personally contribute to maintaining the safety of the work environment in which they operate and to behave responsibly to protect themselves and others. In line with the principles of the integrated policy, and in pursuit of the goal that Padana Tubi intends to achieve, the company commits to:

- Ensure that all personnel take responsibility for monitoring the maintenance of health and safety conditions in the workplace;
- Adopt means, procedures, and working methods that minimise the risk of any accidents and prevent injuries and occupational diseases in order to ensure the highest safety standards.

Workplace Injuries

Data on workplace injuries for the reference period shows no fatal injuries and a **decrease in the number of injury incidents** (-24%), which mainly involved falls, slips, and accidental impacts. For 2023, no cases of occupational diseases were recorded. Compared to 2022, the severity index has significantly decreased, despite the fact that the lowest indices ever were recorded in the 2020-2021 biennium. Currently, even for minor injuries, there are increases in the duration of recovery time, which negatively affect this index.

Following each injury, risk analyses are conducted to identify hazards and eliminate them through the implementation of corrective actions. If this process is not feasible, temporary or permanent improvement or containment measures are introduced.

In 2023, the acoustic remediation project to reduce workers' exposure to noise risk in Plant B was finalised. This project was defined in 2022 and approved in December 2023; the work will commence in 2024.

The project includes various types of interventions, such as:

- Enclosure/ shielding of sections of the production lines (in addition to those currently in place), focusing on areas with higher noise emissions;
- Replacement of the nozzles of compressed air blowers with new, silenced technology nozzles.

EMPLOYEE INJURIES

	2022	2023
Severity Index ⁵	1.35 ⁶	1.11

⁵ The injury severity index is calculated by Padana Tubi using its own methodology, which is the ratio between the number of injury days recorded during the year and the hours worked during the same period.

⁶ This index was revised on 08.01.2024 following the data request for the year 2023.

The working environment at Padana Tubi is characterised by large open space areas where there is a need to reduce ambient noise for both those performing specific tasks in the workplace and those working nearby, who are consequently affected by the sound emissions generated by the machines subject to acoustic remediation. For this reason, Padana Tubi constantly monitors noise levels to provide, where necessary, the installation of enclosures or silencers.

The Prevention and Protection service

The Health and Safety Management System provides the possibility for workers to report any non-conformities detected during the performance of work activities to the Prevention and Protection Service. These reports are recorded in a dedicated register, which is an integral part of the Health and Safety Management System, and are associated with possible corrective actions to monitor their progress until completion.

To maximise the sharing of information and the involvement of all company figures, a reporting system has been established, which all employees are encouraged to use whenever a dangerous situation is detected. These reports can be either named or anonymous, and all are addressed and evaluated by the Prevention and Protection Service.

This is in addition to the traditional reporting method, which can be done by contacting company supervisors or RLS.

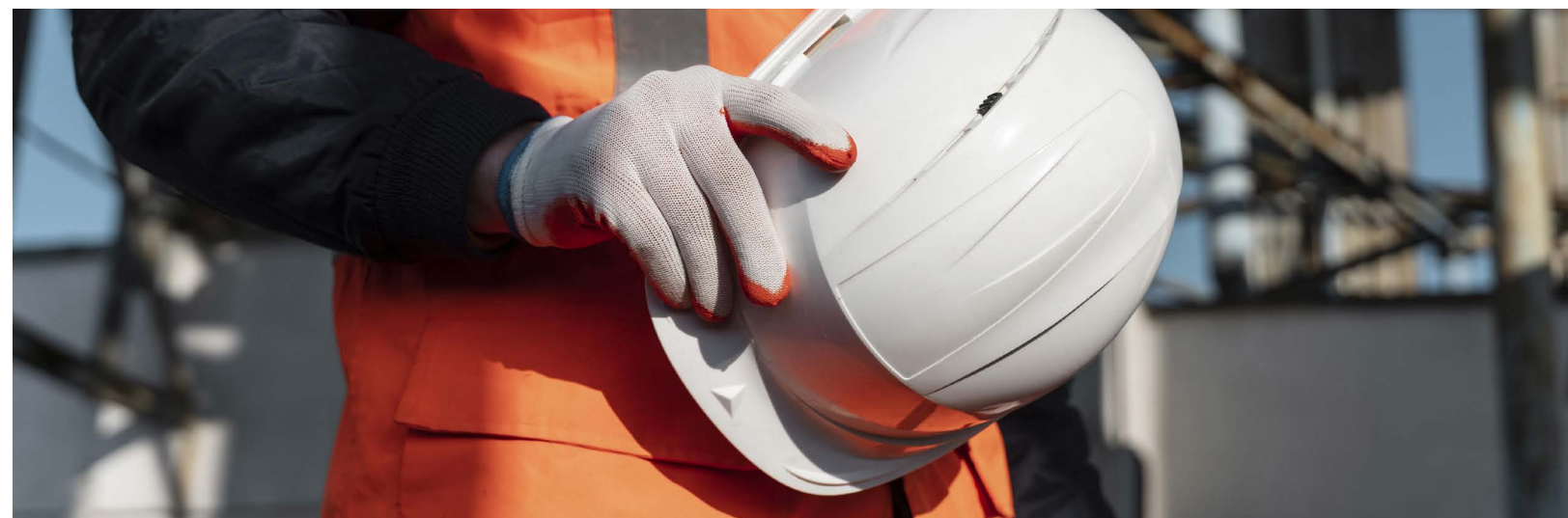
Any injuries or incidents/near-misses that occur in the company are analysed by the prevention and protection service, if necessary, by interviewing the workers involved or those informed of the facts, to define any measures to be adopted to prevent a recurrence of the event.

Periodic meetings are held with supervisors/ department heads to analyse received reports and the analyses conducted by the prevention and protection service on incidents/injuries that have occurred.

Padana Tubi provides **occupational health services** and ensures the quality of these services and the ease of access for workers through the following actions:

- preparation of a health protocol by the competent doctor, based on the findings from shared risk assessment documents;
- execution of inspections by the competent doctor whenever changes in conditions compared to the past are found, or there are critical issues or doubts about the compatibility between a worker and a specific job;
- possibility for employees to request additional examinations if factors arise that could change their fitness for work.

In addition to what has already been reported, Padana Tubi offers the opportunity to request the flu vaccination free of charge every year.



Safety Training

Padana Tubi regularly organises training and educational activities, both general and specific, and pays particular attention to awareness-raising activities, in compliance with local and sector laws and regulations. The objective of Padana Tubi is to promote and spread a culture of safety within the workplace, increasing employee awareness.

The company carefully plans the courses that will be implemented during the year, using the training plan that has been formalised internally, with the possibility of updates.

The courses are conducted within the company and, in general, through accredited training schools and/or independent technical trainers.

The number of training hours provided for health and safety training is continuously growing; specifically, in 2023, a total of 6,155 hours were provided, corresponding to an increase of +2% compared to 2022.

The main courses conducted in the 2022-2023 biennium covered:

- Safety training for all workers (general and specific, according to the State-Regions Agreement);
- Training for Managers, Supervisors, and RLS;
- Firefighting;
- First Aid;
- Procedures on how to work safely in various tasks performed on the various production plants;
- Training for operators performing work at heights;
- Training for workers operating in confined spaces;
- Training for operators performing live electrical work;
- Refresher courses for ASPP and RSPP.

The relationship with the territory

Sustainability for Padana Tubi significantly encompasses the aspect of relationships with local communities and the theme of supporting the territory, to which it actively and consistently contributes.

The relationship with the community of Guastalla and neighbouring municipalities has been very strong from the outset. Padana Tubi has contributed by creating jobs, supporting economic, civil, and social development.

Over the years, the company has participated in initiatives promoting Corporate Social Responsibility in the Reggio Emilia area; it has supported, and will continue to support, projects with cultural, sports, and social purposes, providing assistance to healthcare facilities, kindergartens, and charitable associations, cultural associations, and associations promoting the enhancement of their environment.

Social initiatives and activities: concrete support

Padana Tubi is constantly committed to providing its support to various associations and entities in the territory through financial donations. The support is aimed at adopting policies or practices that promote better social and environmental performance within the company, leveraging partnerships with charitable organisations and supporting specific research projects.

In 2023, Padana Tubi supported social and cultural initiatives and projects with a total amount of 268,511 euros (+2% compared to 2022). Among the social initiatives supported in 2023 (amounting to 168,011 euros) were contributions aimed at supporting the populations affected by the earthquake in Turkey and Syria and the flood in Emilia Romagna.

It is also worth noting that during 2023 and up to 30 June 2024, Padana Tubi has been hosting three Ukrainian family units free of charge in company-owned properties as part of a refugee reception project by Caritas Reggio Emilia.

SUPPORT FOR THE TERRITORY (€)

	2022	2023
Socio-health Assistance and Medical-Scientific Research	66,500	50,500
Social Initiatives and Volunteering	116,000	168,011
School and Education	5,000	10,000
Culture and Artistic and Civic Heritage	45,000	40,000
Covid Emergency	-	-
Aid for Ukraine	30,000	-
TOTAL	262,500 €	268,511

Below are some activities, initiatives, and external collaborations in which Padana Tubi participated and supported during 2022 and 2023. In addition, donations were made to local associations for sports, social, and volunteer activities, along with specific initiatives with local schools. In 2023, the company also hosted two students as part of school-work alternation programs.



Health sector – assistance, medical and scientific research



Padana Tubi supports the **Brain Research Foundation ONLUS in Verona** annually.

The Brain Research Foundation, established in 2010 by a group of researchers, doctors, and philanthropists under the impetus of Prof. Massimo Gerosa, aims to **encourage biomedical research on the nervous system, contributing to the development of neuroscience**, particularly neurology and neurosurgery in Verona. The foundation involves private individuals and institutions, including the University of Verona and the Integrated University Hospital (AOUI) of Verona, which represent a center of excellence in neuroscience with international-level medical-scientific expertise and technological platforms.

The BRFVr aims to further stimulate basic and clinical sciences, facilitating the adoption of new medical and surgical technologies to advance the treatment of nervous system diseases.

€37,500 is the amount donated in 2021, 2022, and 2023.



Padana Tubi is among the founding members with a three-year project of the Italian Lymphoma Foundation Onlus (FIL).

The Italian Lymphoma Foundation Onlus (FIL) develops research projects for the treatment of lymphomas, diseases that affect about 15,000 new patients in Italy each year, which means 40 new cases per day, almost 2 every hour. Over the past 20 years, scientific research has made lymphoma increasingly curable (about 80% of Hodgkin's lymphomas and about 60% of Non-Hodgkin's) and improved the quality of life after treatment, but there is still a lot to be done.

€90,000 is the amount donated in 2021, 2022, and 2023.

Culture and artistic and civic heritage



Padana Tubi is among the funders of **the restoration project of the Sanctuary of the Blessed Virgin of the Gate in Guastalla.**

For several years, the closure of the Sanctuary deprived Guastalla and its surrounding area of one of its most frequented and beloved churches, heightening anticipation for the necessary restoration works. The fall of some stuccoes that decorated the interior of the religious building, combined with the damage caused by the earthquakes of May 2012, necessitated a long and careful phase of observation and surveying to determine the most appropriate intervention methods. The funding allocated by the Government Commissioner for Reconstruction in the earthquake-affected areas enabled the drafting of a project aimed at restoring the Sanctuary to stable and safe conditions, providing the opportunity to address long-standing structural and system issues. In addition to the structural works that will restore solidity to the church, the restoration includes the reinstallation of the stuccoes that have always characterised its appearance, making it a unique baroque-flavored landmark in the historic center of Guastalla. Furthermore, the internal systems will be upgraded, including both lighting and heating systems.

€125,000 is the total donation allocated to support the restoration work for the years 2021, 2022, and 2023.

DETAILS OF DONATIONS AND SUPPORT FOR THE TERRITORY (€)

Field	Activities	2022	2023
Healthcare + Covid Emergency	Assistance/research in the health sector	34,000	18,000
Healthcare	Brain research foundation verona	12,500	12,500
Healthcare	Italian lymphoma foundation	20,000	20,000
Covid Emergency	Restart together	-	-
Social	Donations to sports/volunteer associations	20,000	49,011
Social	Parishes of guastalla and diocese of reggio emilia for social initiatives	96,000	119,000
Education	Schools of guastalla	5,000	10,000
Cultural	Committee for university city of reggio emilia	-	-
Cultural	Restoration of the Sanctuary of the Blessed Virgin of the Gate in Guastalla	45,000	40,000
Cultural	Restoration of the artistic heritage of the Maldotti library in Guastalla	-	-
Social	Aid for Ukraine	30,000	-
Totale		€ 262,500	€ 268,511

Objective for 2024

Padana Tubi intends to welcome new young students, with the aim of fostering greater collaborations and synergies with local schools and ensuring professional growth opportunities for the new generations.

Protection of the environment and natural resources

Environmental Responsibility

In terms of environmental protection, **Padana Tubi conducts its activities with consideration for the need to protect the environment, committing to reduce its impacts and using natural resources sustainably.** The company is aware that the steel industry plays an important role today in reducing CO₂ emissions and combating climate change.

In 2024, as in the previous two years, the company continued the process of **accounting for and monitoring its greenhouse gas (GHG) emissions for the calendar year 2023. In the second half of 2024, it intends to achieve certification of the study in accordance with ISO 14064-1:2018.**

Strategically and operationally, Padana Tubi's commitment is developed in three directions:



Prevention and reduction of emissions for the protection of air and climate



Efficient management of materials and energy according to the principles of the circular economy



Responsible and transparent waste management



Padana Tubi’s Production: The role of Steel and Circular Economy Practices

EMERGING THEME SDGs 3, 11, 12
Steel is a strategic material for the circular economy: it is one of the most recycled materials in the world; its life cycle is potentially endless, making it a true “permanent resource,” essential for the development of a sustainable economy.

For this reason, it is necessary that incoming and outgoing materials are managed with a perspective of extending the product life cycle, where sharing and reuse are priority aspects that fit into the framework of good circular economy practices.

Steel and the steel industry play a central role in the economy and in most industrial sectors: manufacturing, agriculture, transportation, and infrastructure.

For this reason, it represents **a key element in the ecological transition and the construction of sustainable, low-impact infrastructure.** Consequently, steel producers and companies in the sector are called upon to play a decisive role both in responding to increasingly sustainable production demands and in overseeing and managing the positive and negative externalities of their value chain, contributing to the fight against climate change.

Aware of this, Padana Tubi recognises the need to make the steel sector more sustainable, particularly

from an environmental standpoint. Therefore, it is committed to taking actions aimed at reducing energy intensity per unit of product, increasing overall energy efficiency, utilising energy from renewable sources, and monitoring CO₂ emissions associated with its production activities.

The primary input materials used by Padana Tubi for the production of inox and carbon steel tubes are renewable, meaning they come from abundant resources that replenish quickly through ecological cycles or agricultural processes. The categories of purchased goods include: **raw materials** (hot-rolled non-alloy steel - Inox coils and carbon steel coils); **materials necessary for the production process but not part of the finished product** (oils, machinery lubricants); **packaging materials** (stretch film, lifting straps, metal and plastic straps); and **wood**.

For this Sustainability Report, the company has committed to providing even more detailed information compared to previous reports regarding the quantities of materials used, especially concerning packaging materials. In fact, the increase observed in this category, with 937,481 kg of packaging material used in 2023 (compared to 25,101 kg in 2022), is due to the inclusion of the quantities related to metal straps, plastic straps, and lifting straps used.

USED MATERIALS (in KG)

	2022			2023		
	Non-renewable	Renewable	Total	Non-renewable	Renewable	Total
Materials necessary for the production process but not part of the finished product (oils, machinery lubricants)	445,006	-	445,006	347,000	-	347,000
Packaging materials, including paper, cardboard, and plastic	-	25,101	25,101	285,085	652,396	937,481
Wood	-	1,870,320	1,870,320	-	2,172,978	2,172,978
Total in Kg	445,006	1,895,421	2,340,427	632,085	2,825,374	3,457,459

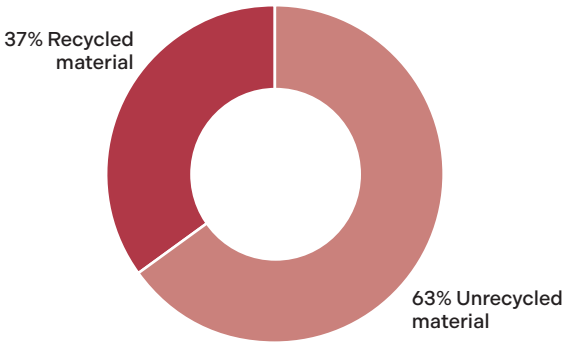
Recycled Materials

Padana Tubi’s production is oriented towards the principles of the circular economy. Circularity in the production and processing of steel can save over 100 million tonnes of virgin raw materials globally by 2025. **According to estimates by the World Steel Association, by 2050 over 90% of the steel contained in consumer products will be recyclable.**

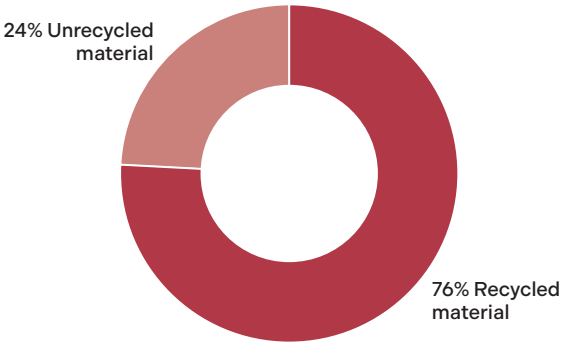
Steel artifacts, once their useful life is over, can be recovered 100% and infinitely through remelting. Recycled steel is indistinguishable from new material: no loss of quality and no degradation in mechanical properties.

Regarding the use of recycled materials, the EPD studies undertaken by the Company during 2023 have provided updated information on the **percentages of recycled content in inox and carbon steel used by the company, which are 76% and 37% respectively. These figures are higher compared to 2022 (where they were 65% for inox and 35% for carbon steel).**

% RECYCLED CARBON STEEL DIVISION



% RECYCLED STAINLESS STEEL DIVISION



Waste Management

MATERIAL TOPIC SDGs 12,13
Waste management encompasses the entire process, from production to final treatment (recycling or disposal) or the reuse of waste materials. Special attention should be given to the management of solid, liquid, or gaseous substances that are introduced into the atmosphere and consequently may cause air pollution.

The waste generated by Padana Tubi in 2023 amounted to 38,603 tonnes of which⁷ 873 tonnes were hazardous waste⁸ and 37,729 tonnes were non-hazardous waste⁹.

⁷ The classification of waste is based on the EER system, the code used to classify waste as either hazardous or non-hazardous within the European Waste Catalogue (EWC).

⁸ Hazardous wastes include: emulsions and solutions for machinery, not containing halogens; used waxes and fats; non-chlorinated mineral oils for hydraulic circuits; oil-containing waste; sludges and filtration residues produced from flue gas treatment, containing hazardous substances; absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing contaminated with hazardous substances; processing sludges containing hazardous substance.

Non-hazardous wastes include: sludges produced from on-site effluent treatment; filings and shavings of ferrous metals; processing sludges; wastes not otherwise specified; metal packaging; mixed material packaging; iron and steel; cables; components removed from end-of-life equipment; plastic; filings and shavings of non-ferrous materials; iron and steel; dust and particulates from ferrous materials; spent tool bodies and grinding materials.

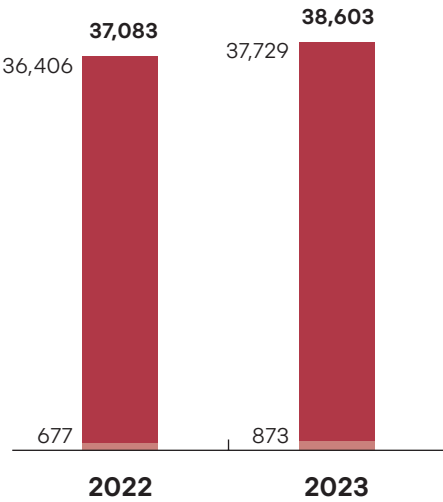
⁹ Non-hazardous wastes include: sludges produced from on-site effluent treatment; filings and shavings of ferrous metals; processing sludges; wastes not otherwise specified; metal packaging; mixed material packaging; iron and steel; cables; components removed from end-of-life equipment; plastic; filings and shavings of non-ferrous materials; iron and steel; dust and particulates from ferrous materials; spent tool bodies and grinding materials.

Compared to the previous year, there was a general increase in waste produced (4%), partly due to maintenance and structural expansion activities carried out by the company during the year. The largest increase was recorded in the hazardous waste category (+29% compared to 2022), caused by an anomaly that occurred in one of the company's plants during the year, which consequently required the necessary and exceptional disposal of lubricating oil by the company.

Overall, Padana Tubi sent 99% of the waste produced in 2023 for recovery, in line with the previous year. Specifically, 70% of hazardous waste was sent for recovery (preparation for reuse and recycling), compared to 57% in 2021 and 69% in 2022, and 30% was sent for disposal. Non-hazardous waste was almost entirely sent for recovery (99.6% of the total).

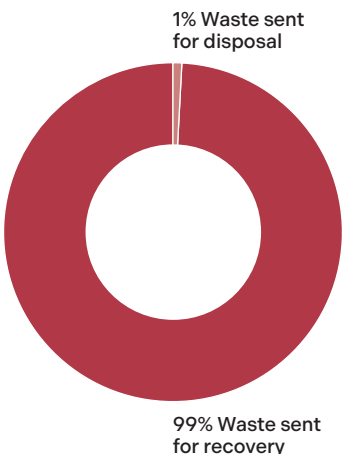
The categorisation of waste by management method takes into account the metal scraps produced during the processing at Padana Tubi's plants. Since these wastes are made of steel, the type of treatment considered is material recovery, as the recycling rate of this material in Italy is over 90%.

HAZARDOUS AND NON-HAZARDOUS WASTE PRODUCED (tonnes)

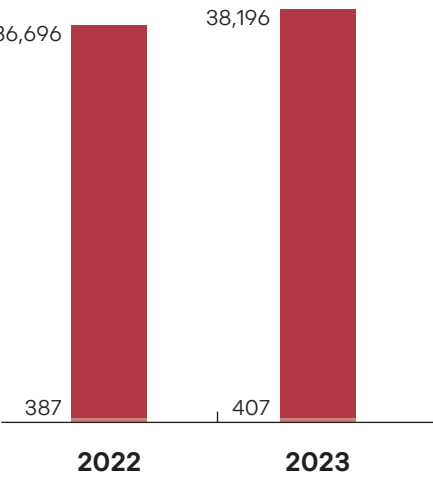


● Non-hazardous waste ● Hazardous waste

WASTE MANAGEMENT AND DESTINATION YEAR 2023



WASTE MANAGEMENT DISPOSAL AND RECOVERY (tonnes)



● Recovery ● Disposal

Water Consumption

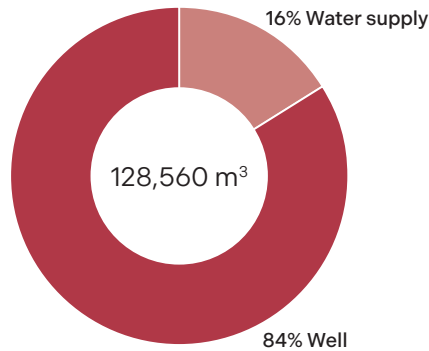
MATERIAL TOPIC SDGs 6,12
Water is a primary resource subject to scarcity that needs to be protected through monitoring mechanisms and reducing consumption arising from company activities. Padana Tubi recognises the importance of environmental protection in this regard as well, which is why it is committed to the responsible management of water resources.

The water used is primarily for industrial purposes and is sourced exclusively from wells located in various local production units or from the water supply system. The production facilities, as far as technologically possible, operate in a closed-loop system, limiting the use of new resources to replenishing what has evaporated or been used.

During 2023, 128,000 cubic metres of water were drawn, with 84% coming from wells and the remaining 16% from the water supply system. Compared to the previous year, the amount of water drawn from wells slightly decreased, as part of the water supply for the Inox division changed from wells to the water supply system.

As can be seen, water consumption decreased significantly compared to 2022, by 30%, mainly due to an event that occurred the previous year, specifically the breakage of a valve in a well, which caused an abnormal increase in water consumption during 2022. The maintenance intervention carried out allowed the company to restore the average values regarding water resource consumption.

WATER CONSUMPTION BY SOURCE IN 2023



The water discharges in the last fiscal year amounted to 20,560 cubic metres. Since the company does not have water metres near the discharge points, the indicated volumes are estimated based on the quantities drawn. The indicated volumes do not take into account rainwater (discharges due to yard runoff and roof downspouts), as it was not possible to estimate the data with sufficient accuracy.

WATER WITHDRAWAL

	2022	2023
Total water withdrawal (Cubic Metres)	183,300	128,560
Of which groundwater (well)	162,200	108,000
Of which third-party resources (water supply)	21,100	20,560

Energy Management and Emissions

MATERIAL TOPIC SDGs 3, 12, 13

The contribution of businesses in the fight against climate change involves effective management of the energy used and analysis of the carbon emissions produced by their activities. Awareness of their environmental footprint and the definition of interventions for the reduction, adaptation, and/or mitigation of emissions into the atmosphere from business activities is an essential requirement. The production and processing of steel require a significant amount of energy. Reducing consumption and improving energy efficiency is therefore an important goal for both environmental and economic reasons.

Padana Tubi uses electricity for all production processes, auxiliary and general services, and natural gas primarily for heating; diesel is used for transport and internal handling.

The company has a precise monitoring system for production divided by cutting line and production lines (split into various lines); the breakdown of electricity consumption by macro area and functional areas demonstrates that most of the consumption is attributable to the main activities, proving that the production line department is the most energy-intensive. Specifically, among the main activities are the loading of strips, head-to-tail welding, forming, welding, calibration, pipe inspection, and packaging. Auxiliary services include the compressed air production plant, extraction, and emulsified water system; general services include lighting and winter heating of the indoor areas of the plant, which is done via natural gas boilers.

Regarding lighting, Padana Tubi has been replacing neon tube fixtures with LED technology in various plants for some years now. The system is partially segmented, not timed, and does not have twilight sensors.

During the reporting period, the total energy consumed did not undergo significant changes: Padana Tubi consumed a total of 344,801 GJ of energy (electricity, natural gas, and diesel) in 2023, compared to 345,478 GJ in 2022.

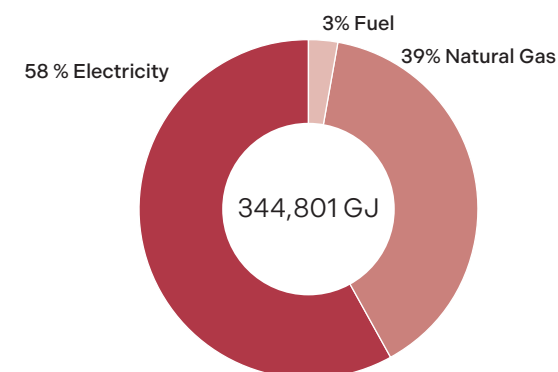
Looking at the consumption of different energy sources, **it is specifically noted that the share of electricity drawn from the grid slightly decreased (-2% compared to 2022), while the self-produced electricity from Padana Tubi's photovoltaic installations significantly increased.** These installations were expanded in 2022 with the addition of a 1,835 kWp plant at Plant O. **The full operation of this plant allowed the company to increase self-produced electricity by 176% (12,395 GJ in 2023 compared to 4,449 GJ in 2022).** Of this total, 66% is the share of energy produced and self-consumed internally (8,126 GJ in 2023).

Finally, regarding electricity drawn from the grid, to contribute to climate protection, **the company uses clean electricity sourced 100% from renewable energy sources.**

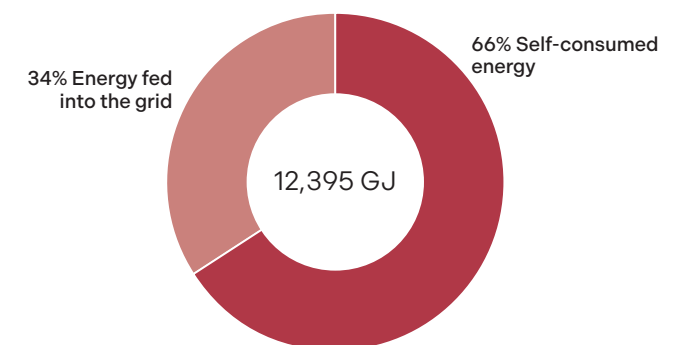
ENERGY CONSUMPTION

	2022	2023
TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION (GJ)	345,478	344,801
NATURAL GAS (for thermal uses)	134,732	133,956
ELECTRICITY (GJ)	200,953	199,833
Of which:		
Purchased electricity (from renewable energy sources)	196,504	191,707
Self-produced electricity from photovoltaics	4,449	12,395
Self-consumed electricity from photovoltaics	3,692	8,126
Electricity fed into the grid from photovoltaics	757	4,270
FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES (GJ)	10,550	11,013
Of which:		
Diesel fuel (for company fleet)	10,535	10,988
Petrol fuel (for company fleet)	15	25

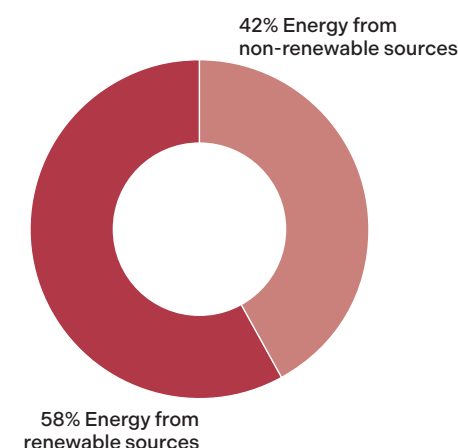
ENERGY CONSUMED WITHIN THE ORGANISATION IN 2023 (%)



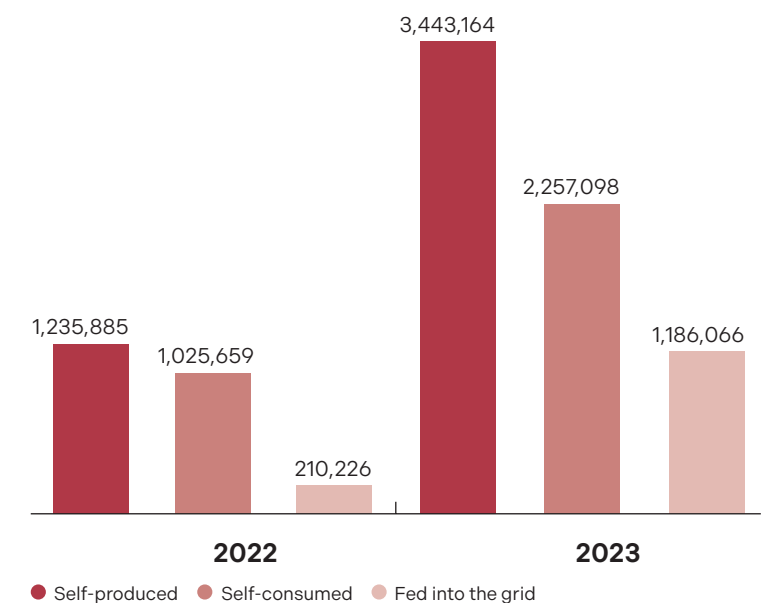
SELF-PRODUCED ENERGY FROM PHOTOVOLTAIC PLANT IN 2023 (%)



ENERGY CARRIERS BY RENEWABLE AND NON-RENEWABLE SOURCES IN 2023 (%)



SELF-PRODUCED ENERGY FROM PHOTOVOLTAIC PLANT (KWH)



Energy Intensity

To measure efficiency levels, the energy intensity indicator has been calculated, which represents the specific consumption of energy used within the organisation for each ton of processed steel. Below are the ratios expressed in GigaJoules per ton for each energy carrier considered. **In 2023, Padana Tubi's energy intensity is 0.450 GJ/t.**

More specifically, for each ton of steel, the specific consumptions are shown in the following table:

ENERGY INTENSITY RATIO (GJ/t)

	2022 ¹⁰	2023
Natural Gas	0.179	0.175
Electricity	0.266	0.261
Fuel	0.0140	0.0144
Organisation's Energy Intensity	0.458	0.450

¹⁰ The energy intensity index for 2022 has been recalculated in this report due to an update in the production volume data for 2022.

Atmospheric Emissions

EMERGING THEME SDGs 3, 7, 12, 13
The management of energy and the emissions produced have an impact on the goals of containing and mitigating the negative effects of climate change. An organisation's ability to equip itself with infrastructure aimed at proper energy management, energy efficiency, and the reduction of CO₂ emissions results in direct benefits in terms of cost reduction, as well as access to alternative energy sources. In respect and protection of the environment, Padana Tubi exclusively uses green electricity for its activities, sourced 100% from renewable energy sources, covered by Guarantees of Origin (GO) certificates purchased by the company.

In a perspective of continuous improvement, particularly concerning its environmental impacts, Padana Tubi has achieved, for the third consecutive year, the **certification of the Organisation's Carbon Footprint according to UNI EN ISO 14064-1:2019**. The objective is to quantify the impact of its core activities in terms of greenhouse gases (GHG) produced in the year 2023 and compare it with the results of 2021 and 2022. This comparison aims to identify new improvement targets based on the established emissions monitoring system, by developing an integrated medium-long term strategy.

Below are detailed data on direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2), and other indirect emissions deriving from upstream and downstream activities of the Organisation (Scope 3) as identified in the report¹¹ for the calendar year 2023.

GHG emissions and removals are divided into the following categories:

¹¹ The emissions classified here as Scope 1, 2, and 3, in line with the definitions within the GHG Protocol, are indicated within the Padana Tubi CFO study, divided into Categories 1, 2, 3, 4, and 5 according to the UNI ISO 14064:2019 standard.

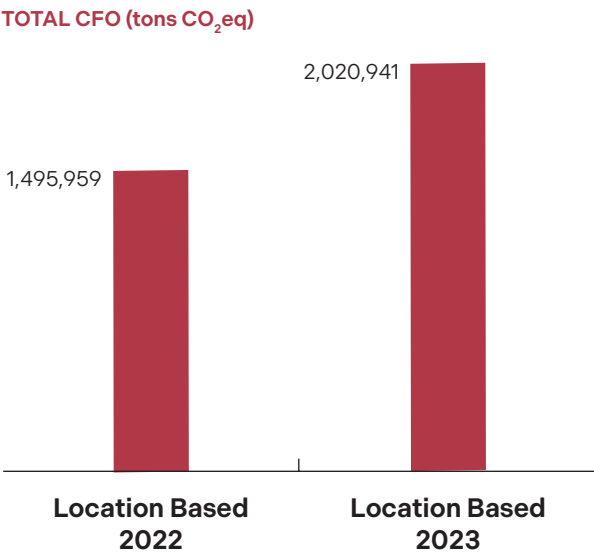
- Scope 1**
Direct emissions generated by the company's operations
- *Combustion from fixed/stationary sources* (consumption of natural gas used for heating or production processes);
 - *Combustion from mobile sources* (fuel consumption of the company-owned vehicle fleet used for employee transportation and goods transport within and outside the facilities);
 - *Refrigerant fluid leaks*

- Scope 2**
Indirect emissions from imported energy
- *Electricity drawn from the grid.*

- Scope 3**
Other indirect emissions from upstream and downstream activities of the organisation
- *Inbound logistics* (trasportation of raw materials, round trips for semi-finished products);
 - *Outbound logistics* (transportation of finished products to customers, transportation of company waste to treatment sites);
 - *Business travel by employees;*
 - *Employee commuting;*
 - *Purchased goods and services;*
 - *Purchase of capital goods;*
 - *Disposal of liquid and solid waste;*
 - *Upstream part of the fuel used in company-owned vehicles;*
 - *Upstream part of electricity* (production of fuels for electricity generation, transmission and distribution losses).

To facilitate the comparison of the effects of different greenhouse gases, a specific index called the Global Warming Potential (GWP) is used, through which the impact of each gas is compared to that of CO₂.

Padana Tubi's Carbon Footprint for the year 2023, considering the Location-Based approach, is 2,020,941 t CO₂ eq, an increase of 35% compared to 2022 (1,495,959 t CO₂ eq). This difference is mainly due to the increase in indirect emissions (+36% compared to 2022), while direct emissions – a minority share of the total – have remained almost stable.



Below is the breakdown of emissions by category and source, including the company's value chain; it includes direct emissions and indirect emissions considered relevant based on a specific materiality assessment.

¹² Sources for Emission Factors Considered for Natural Gas:
• CO₂: Ministry of the Environment
• CH₄ and N₂O: DEFRA 2022 – Natural Gas, DEFRA 2023 – Natural Gas
¹³ Sources for Emission Factors Considered for Diesel Fuel:
• CO₂: ISPRA – National Inventory Report for CO₂ (2022), DEFRA 2023 – Diesel (average biofuel blend) for CO₂
• CH₄ and N₂O: DEFRA 2022 – Diesel (average biofuel blend) for CH₄, DEFRA 2023 – Diesel (average biofuel blend) for CH₄
Sources for Emission Factors Considered for Gasoline Fuel:
• CO₂: Ministry of the Environment, DEFRA 2023 – Gasoline
• CH₄ and N₂O: DEFRA 2022 – Gasoline, DEFRA 2023 – Gasoline
¹⁴ Sources for Emission Factors Considered for Refrigerant Gases:
• R407C: DEFRA 2023
¹⁵ Sources for Emission Factors Considered for Imported Electricity:
• CO₂: ISPRA (2022), ISPRA 2023
• CH₄ e N₂O: Italy: Italy: Common Reporting Format 2022, Italy: Common Reporting Format 2023
¹⁶ Emission factors considered for calculating the impact of inbound logistics were selected from the DEFRA database in the “2023 Guidelines to DEFRA” report for 2023 and “2022 Guidelines to DEFRA” for 2022.
¹⁷ Emission factors considered for calculating the impact of outbound logistics were selected from the DEFRA database in the “2023 Guidelines to DEFRA” report for 2023 and “2022 Guidelines to DEFRA” for 2022.
¹⁸ Emission factors for calculating business travel were calculated using the specific factor related to Italy provided in the DEFRA document for hotel overnight stays.

GHG EMISSIONS Scope 1 – tCO ₂ eq		
	2022	2023
Direct emissions from combustion of fixed/stationary sources (related to natural gas consumption) ¹²	7,618	7,624
Direct emissions from mobile sources combustion ¹³	785	764
Direct fugitive emissions ¹⁴	-	22
Total Scope 1	8,403	8,410

GHG EMISSIONS Scope 2 – tCO ₂ eq		
	2022	2023
Purchased electricity (location based) ¹⁵	16,935	15,695
Total Scope 2	16,935	15,695

GHG EMISSIONS Scope 3 – tCO ₂ eq		
	2022	2023
Inbound logistics of goods (raw materials) - Upstream transport and distribution ¹⁶	72,749	101,275
Outbound logistics of carbon steel pipe products - Downstream transportation and distribution ¹⁷	156,425	142,731
Employee commuting	1,495	1,576
Business travel ¹⁸	7	4
Upstream phase of fuels used for the company fleet	178	186
Purchased goods and services	1,213,258	1,731,524
Purchase of capital goods	18,193	12,206
Disposal of liquid and solid waste	203	102
Upstream part of electricity and fuels used from stationary sources (location-based)	7,434	6,346
Sold products	681	886
Total Scope 3	1,470,623	1,996,836

GHG EMISSIONS SCOPE1 + SCOPE2+ SCOPE 3 – tCO ₂ eq		
	2022	2023
TOTAL GHG EMISSIONS (LOCATION-BASED)	1,495,961	2,020,941

Also in 2023, the Carbon Footprint of Padana Tubi & Profilati Acciaio S.p.A. is predominantly determined by indirect emissions (accounting for 99.6% of total emissions), while direct emissions cover 0.4% of the total Carbon Footprint.

Specifically, Category 4, which includes indirect emissions from products and services used by the organisation, is the most significant category in the inventory, accounting for approximately 1,750,178 tons of CO₂ eq. Category 3 (emissions related to transportation processes) generates 245,771 tons of CO₂ eq. This is followed by categories related to imported electricity (Category 2), direct emissions (Category 1), and indirect emissions associated with the use of sold products (Category 5), generating 15,694 tons of CO₂ eq, 8,410 tons of CO₂ eq, and 886 tons of CO₂ eq respectively.

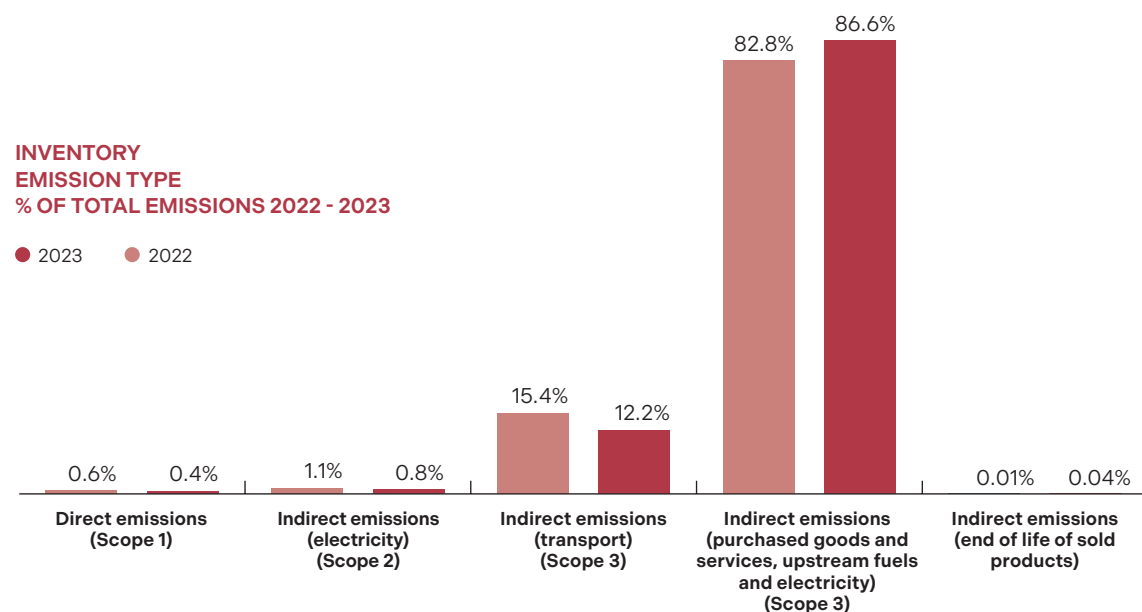
In particular, the subcategory related to purchased goods and services (Category 4.1) covers the majority share of total emissions, with 1,731,521 tons of CO₂ eq, equal to 85.68% of the total.

Additionally, unlike in 2022, fugitive emissions were recorded in 2023, amounting to 22 tons of CO₂ eq, generated by the recharge of a refrigerant gas used in the company's air conditioning systems. On the other hand, compared to the previous year, a gradual reduction in emissions associated with downstream transportation is observed, demonstrating progressive logistics optimisation in line with last year.

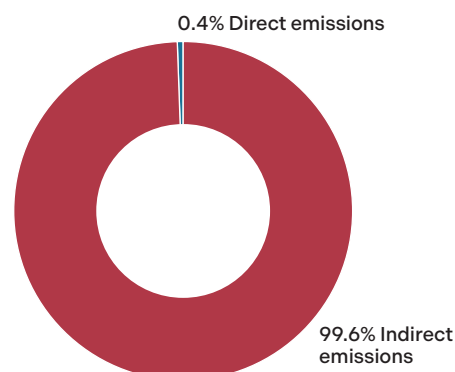
Monitoring and awareness of the emissions produced leads Padana Tubi to want to contribute directly to the reduction of CO₂ emitted globally; for this reason, the company continues to commit to finding solutions to adopt for improvement in the medium to long term.

INVENTORY EMISSION TYPE % OF TOTAL EMISSIONS 2022 - 2023

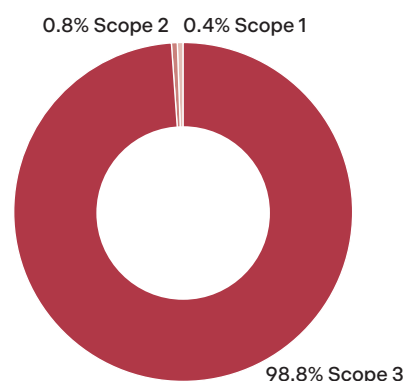
● 2023 ● 2022



% EMISSIONS BY TYPE (DIRECT AND INDIRECT) - 2023



% EMISSIONS BY SCOPE (1, 2, 3) - 2023



Methodological note

GRI 2-1 | GRI 2-2 | GRI 2-3 | GRI 2-4

THE DOCUMENT

This document represents the third **Sustainability Report of Padana Tubi & Profilati Acciaio S.p.A.** (hereinafter also referred to as “Padana Tubi” or “the Company”). The information contained within the document has been collected and reprocessed to ensure an understanding of the activities carried out by the Company, its performance, its results, and their impact.

The **reporting scope** of the data and the qualitative and quantitative information presented in this document refers to Padana Tubi's performance for the 2023 calendar year. Any limitations are indicated within the document as necessary.

To allow for data comparison over time and to evaluate the performance of Padana Tubi's activities, data for the 2022 fiscal year is presented for comparison purposes.

The Sustainability Report is prepared annually. The data has been accurately calculated based on the results of the general accounting and other information systems used; in the case of estimates, the method followed for quantification is indicated in the determination of the indicators.

The Sustainability Report has been voluntarily prepared and does not constitute a consolidated Non-Financial Statement (NFS); the Company does not fall within the scope of Legislative Decree No. 254 of 30 December 2016, which, in implementation of Directive 2014/95/EU, requires the preparation of an NFS for public interest entities that exceed certain quantitative thresholds.

REFERENCES USED

The Sustainability Report has been prepared according to the guidelines issued by the Global Reporting Initiative (GRI), an independent international organisation recognised by the UN, which is the main reference for sustainability reporting activities at a global level. Specifically, a set of indicators was selected from those contained in the “**GRI Sustainability Reporting Standards**” updated to 2021, as indicated in the GRI Content Index of this document.

The general principles applied for the preparation of the Sustainability Report are those established by the GRI Standards: relevance, inclusivity, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, and clarity.

The **selected performance indicators** correspond to those provided by the adopted reporting standards, representing the specific sustainability areas analysed and consistent with the activities carried out by Padana Tubi and their impacts.

The reported indicators are “general,” concerning the legal and organisational profile of the company; “economic,” concerning the economic results and the added value generated and distributed; “environmental,” concerning environmental aspects, particularly those related to materials, energy, emissions, and waste; and “social,” concerning aspects related to health and safety at work, training, equal opportunities, and relationships with the local community.

The selection of these indicators was based on an analysis of the relevance of material issues for the Organisation and the reference sector, as described in the paragraph “Materiality Analysis”.

The **materiality analysis**, carried out based on the GRI Standards as part of Padana Tubi's sustainability journey, involved the company's management and the Company's stakeholders in an activity of assigning relevance and interest value to each issue.

The Sustainability Report is published on the Company's official website www.padanatubi.it. For more information, please contact the following address: sustainability@padanatubi.it.

Appendix

GRI Content Index and Correlation Table

GRI SUSTAINABILITY REPORTING STANDARD 2022			
		References / Paragraph	Notes
General disclosures and governance			
Organisational profile			
2-1	Organisation Details	Methodological Note	
2-2	Entities included in the sustainability reporting	Methodological Note	
2-3	Reporting period, frequency, and contact point for inquiries about the report	Methodological Note	
2-5	External assurance		Padana Tubi's 2023 sustainability report does not provide for external assurance
2-6	Activities, value chain, and business relationships	Market presence and business model; Supplier selection and evaluation: from quality to sustainability principles	
2-7	Employees	Valorisation of resources and workforce composition	
2-8	Workers who are not employees	Valorisation of resources and workforce composition	
2-9	Governance structure and composition of the highest governance body	The organisational structure	
2-10	Nomination and selection of the highest governance body	The organisational structure	
2-11	Chair of the highest governance body	The organisational structure	
Strategy			
2-22	Statement on sustainable development strategy	Letter to Stakeholders	
Ethics and integrity			
2-26	Strategies, Policies, and Practices	Customer orientation: a relationship based on trust; Supplier selection and evaluation: from quality to sustainability principles	
2-27	Compliance with laws and regulations	Ethics, integrity, and transparency	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethics, integrity, and transparency	Non si registra nessun caso di violazione della privacy e di attacco informatico nel corso del 2023
Stakeholder engagement			
2-28	Membership associations	Stakeholder mapping and engagement	
2-29	Approach to stakeholder engagement	Stakeholder mapping and engagement	
2-30	Collective bargaining agreements	Valorisation of resources and workforce composition	
Material topics			
3-1	Process to determine material topics	Materiality analysis	
3-2	List of material topics	Materiality analysis	
3-3	Management of material topics	Materiality analysis	
Economic topics			
Economic performance			
201-1	Direct economic value generated and distributed	Economic value generated and distributed	
204-1	Proportion of spending on local suppliers	Supplier selection and evaluation: from quality to sustainability principles	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality, traceability, reliability, and safety of products	No incidents of non-compliance occurred during the reporting period considered.
Environmental topics			
Materials			
301-1	Materials used by weight or volume	The production of Padana Tubi: the role of steel and circular economy practices	
301-2	Recycled input materials used	Materials from recycling	

Energy			
302-1	Energy consumption within the organisation	Energy management and emissions	
302-3	Energy intensity	Energy management and emissions	
Water			
303-3	Water withdrawal by source	Water consumption	
303-4	Water discharge	Water consumption	
303-5	Water consumption	Water consumption	
Emissions			
305-1	Direct (Scope 1) GHG emissions	Energy management and emissions	
305-2	Energy indirect (Scope 2) GHG emissions	Energy management and emissions	
305-3	Other indirect (Scope 3) GHG emissions	Energy management and emissions	
Waste			
306-3	Waste generated	Waste management	
306-4	Waste diverted from disposal	Waste management	
306-5	Waste directed to disposal	Waste management	
Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	Supplier selection and evaluation: from quality to sustainability principles	
Social topics			
Employment			
401-1	New employee hires and employee turnover	Valorisation of resources and workforce composition	
Occupational health and safety			
403-1	Occupational health and safety management system	Occupational health and safety: commitment, principles, and responsibilities	
403-3	Occupational health services	Occupational health and safety: commitment, principles, and responsibilities	
403-5	Worker training on occupational health and safety	Occupational health and safety: commitment, principles, and responsibilities	
403-6	Promotion of worker health	Occupational health and safety: commitment, principles, and responsibilities	
403-8	Workers covered by an occupational health and safety management system	Occupational health and safety: commitment, principles, and responsibilities	
403-9	Work-related injuries	Occupational health and safety: commitment, principles, and responsibilities	
403-10	Work-related injuries	Occupational health and safety: commitment, principles, and responsibilities	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Occupational health and safety: commitment, principles, and responsibilities	No non-compliance with relevant regulations was detected during the reporting period considered
Education and training			
404-1	Average hours of training per year per employee	Training as a lever for professional growth	
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Valorisation of resources and workforce composition; the organisational structure	
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Ethics, integrity, and transparency	No cases of discrimination occurred in the company during the reporting period considered
Supplier social assessment			
414-1	New suppliers that were screened using social criteria	Supplier selection and evaluation: from quality to sustainability principles	

Padana Tubi & Profilati Acciaio spa

Via Portamurata 8/A 42016
Guastalla (RE)
+39 0522 836555
info@padanatubi.it

