

MAKING WAVES



SUSTAINABILITY
REPORT 2022

Associated with





SUMMARY

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Message from the Chairman of the Board to Stakeholders

I am pleased to present to you the **second edition of our Sustainability Report**, entitled 'Making Waves'. This report is a further demonstration of our commitment to integrate sustainability as a core value of the Tosto Group, with a full transparency approach to address epochal challenges such as climate change.

In this Report, we want to highlight how our commitment to sustainability is increasingly embedded in all our activities, following the principles of the Global Compact and the Sustainable Development Goals (SDGs) defined by the UN. The title 'Making Waves' perfectly expresses our intent to promote meaningful and sustainable change in our industry, drawing attention to the importance of sustainability and innovation in the technological solutions we adopt to ensure the safety and efficiency of our products.

In 2022, COP27 in Sharm El Sheik provided a comprehensive view of the climate challenges and opportunities facing our industry. In response to these challenges, we will continue to develop **innovative and sustainable solutions**, focusing on **emerging clean energy technologies and the development of next-generation nuclear and nuclear fusion power plants**. These efforts will enable us to make a concrete contribution to reducing CO2 emissions and achieving the targets set in Glasgow.

We are committed to continuing along this trajectory, pursuing sustainable, lasting and successful growth, in perfect harmony with our corporate vision. Innovation and Digitalization will be our allies in this mission, together with the relentless research into the **storage of green hydrogen** gas, which represents a crucial node in the supply chain.

In pursuing sustainability, we have aligned ourselves with the new GRI standard, for which **respect for human rights** becomes a central principle guiding the entire management system. This approach allows us to further integrate sustainability with our business, promoting greater transparency towards all our stakeholders. We will continue to follow the principles of the Global Compact and the UN Sustainable Development Goals to ensure we have a positive impact on people and the planet.

Another focus of our commitment is to invest in the **training and development of young people in our region** by working in synergy with local technical and professional institutes and universities. To address the mismatch between labour supply and demand, Belleli Energy CPE has launched a project with a high social impact to train new skills in the sector, using its own resources and know-how. This initiative aims to improve the area's competitiveness, creating new job opportunities for young people and contributing to their economic stability.

CONFIMI Industria Association encourages us to share good practices and sustainability initiatives with other companies, expanding the 'Making Waves' effect in our industry. We believe that sustainability is a shared responsibility and we are determined to **promote positive change** not only within our company, but also among other organisations.

With the support of employees, stakeholders, institutions and society as a whole, we will continue to make a difference and **spread the positive waves of 'Making Waves'** wherever we are.

Luca Tosto



SUSTAINABILITY HIGHLIGHTS 2022



| Economic Highlight | | 2022 | 2022 vs 2021 |
|-----------------------------------|----|------------------|--------------|
| Revenues | k€ | 68.269,52 | +115% |
| Net profit | k€ | 556,95 | +3% |
| EBITDA | k€ | 5.093,48 | +15% |
| Value distributed to stakeholders | k€ | 17.944,45 | = |
| Investment in R&D | k€ | 850,76 | +48% |



ANTI-CORRUPTION



| Social Highlight | | 2022 | 2022 vs 2021 |
|-------------------------------------|----|--------------|--------------|
| Employees | N. | 266 | -10% |
| Hours Training | N. | 5.376 | +11% |
| Employees with permanent contracts | % | 96% | +4% |
| Staff aged between 30 and 50 | % | 46% | +5% |
| Procurement from domestic suppliers | % | 82% | +8% |



HUMAN RIGHTS

LABOUR



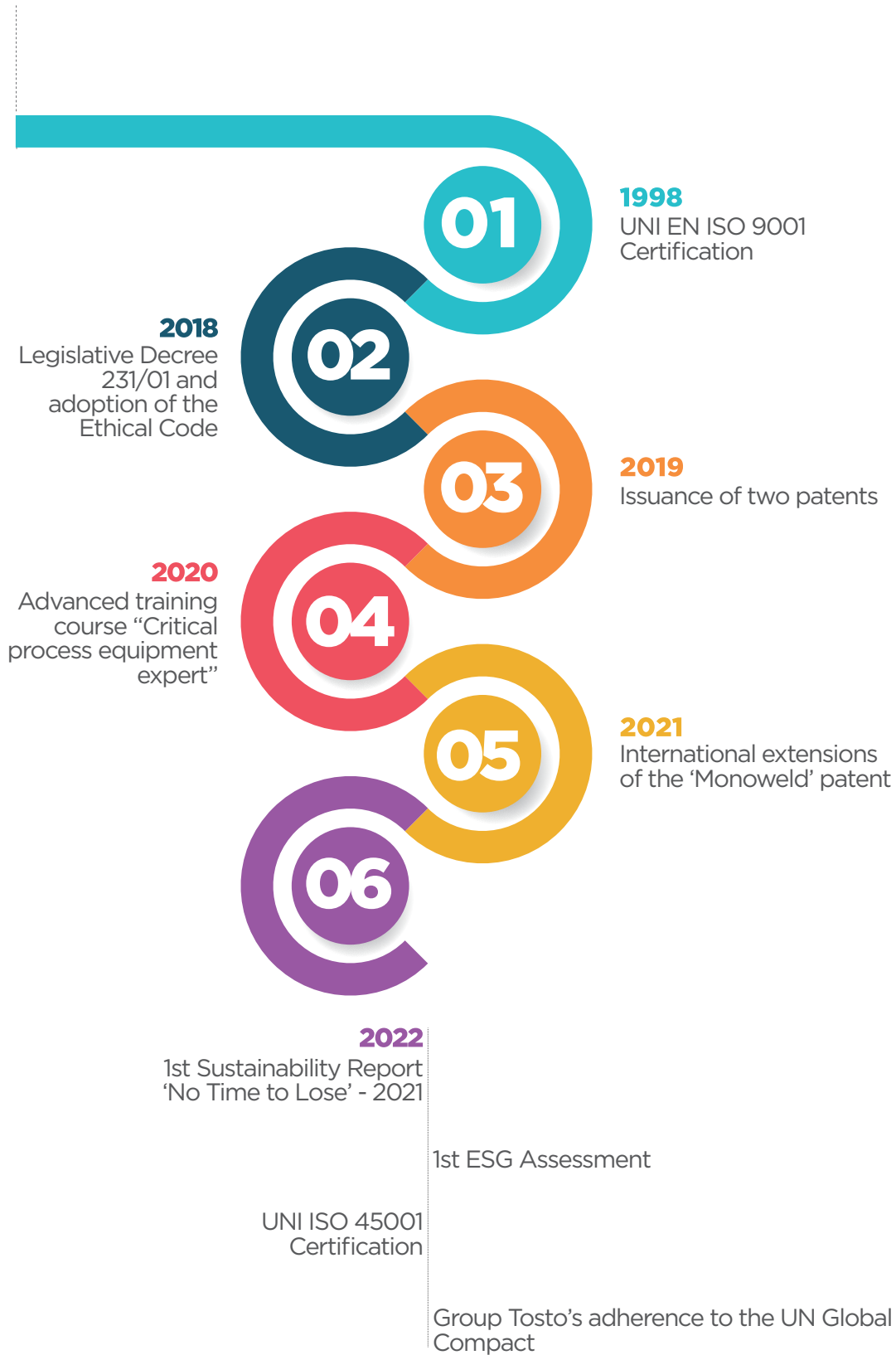
| Environmental Highlight | | 2022 | 2022 vs 2021 |
|--|----|-----------------|--------------|
| Energy consumption | GJ | 76.386 | -26% |
| CO ₂ emissions Scope 1 and Scope 2 | t. | 4.848 | -25% |
| Emission intensity kg CO ₂ -Eq / tonne net weight | | 1.407 | +23% |
| Waste | t. | 1.516,14 | -40% |



ENVIRONMENT



SUSTAINABILITY PATH



MAJOR EVENTS IN 2022

15 March, Saudi Arabia - ME STATIC 2022

Belleli Energy CPE participated in the ME STATIC conference, one of the most important in the Oil & Gas sector dedicated to the design, manufacture and maintenance of static pressure equipment, held in Dubai from 15 to 17 March. The company was present in the exhibition space with a stand of the Tosto Group, where it had the opportunity to meet numerous operators of the sector including ADNOC, ARAMCO and SABIC. Fausto Fusari, Vice President R&D, presented a paper at the conference on the consolidation and extension of use on other materials of the MONOWELD welding technology, already patented for welding pressure equipment in 2 1/4 Cr 1 Mo 1/4 Vanadium material. For this presentation, Belleli received a prestigious award from the event organisers.

2-4 May, Tulsa, USA - CRU Nitrogen + Syngas

Belleli participated in the CRU Nitrogen + Syngas conference and exhibition, which took place in Tulsa, USA, from 2 to 4 May. This edition focused on the latest developments and best practices in pre-operations, reliability and maintenance of ammonia, methanol, hydrogen, syngas and urea plants.

16-19 May, Utrecht, The Netherlands - 14th Stamicarbon Symposium

By participating in the 14th Stamicarbon Symposium, Belleli Energy CPE had the opportunity to share and discover the latest technology in the fields of fertilisers, ammonia and urea.

12 June, Critical Process Equipment Expert Course Closing Ceremony

Belleli Energy CPE, the UniMore - University of Modena and Reggio Emilia and the UniverMantova Foundation gave life in 2019 to the postgraduate advanced training course 'Critical Process Equipment Expert'; this course took concrete form this year with the placement in Tosto Group companies of all the students who took part in the initiative: 20 young engineers selected from over 110 applications received. The course's closing event was attended by the Mayor of Mantua Mattia Palazzi, Marko Bertogna and Francesco Leali, UniMore Full Professors, Luca Pierfelice and Fausto Fusari, respectively Board Member and V.P. R&D of Belleli Energy CPE, and the students who gave evidence of their experience.

14 September, Mantua - Open Day for students at technical and vocational institutes

On 14 September, Belleli opened its doors to students from the Istituto Superiore Enrico Fermi in Mantua, IISS Galileo Galilei in Ostiglia and Istituto Superiore E. Sanfelice in Viadana. This is an important opportunity both for young students to find a career path suited to their aptitudes after graduation and for Belleli Energy CPE to get to know young talents to be included in its workforce. The students were accompanied by Belleli's qualified personnel inside the production facilities to see with their own eyes the processes involved in working on current orders, the tour concluding with a visit to the company's various offices and departments.



CORPORATE IDENTITY AND CONTEXT

VISION, MISSION AND VALUES 2-23

Vision

To be the ‘first choice’ for end users, licensees and major contractors worldwide. Constantly exceeding customer expectations through innovative ideas, new technologies and value-added solutions, inspired by a vocation for research and sustainability.

| | MISSION | UNGC GOALS |
|--|--|---|
| | The objective is to | |
|   | provide customised and technologically advanced solutions to customers in relation to the design and operation of process equipment and project timelines, | |
|  | generating a positive impact |  <small>ANTI-CORRUPTION</small> |
|   | on the environment and |  <small>ENVIRONMENT</small> |
|  | on people. |  <small>HUMAN RIGHTS LABOUR</small> |

The shared **values** constitute the guidelines for the company’s activities:

Security

Safety is a primary value in the performance of all activities. Belleli Energy CPE is always committed to the development of a safety culture to ensure the health of workers.

Quality

Quality is the essence of Belleli Energy CPE’s work. The company’s policy ensures the continuous improvement of quality standards to meet high-tech requirements in the design and manufacture of critical process equipment.

Prosperity

The constant growth of staff skills is fostered in order to meet customer needs with new and innovative technological solutions developed by the talents in the company.

Company description

The history of Belleli Energy CPE s.r.l. is characterised by a series of growth phases, challenges and changes over the years. Founded in Mantua in 1947 by Rodolfo Belleli, the company initially operated in the boiler manufacturing sector. However, a dramatic event, the sudden death of the owners of the Perlini company, allowed Rodolfo Belleli to seize the opportunity to set up an independent business. Thus, together with two former Perlini employees, the Bisi brothers, he formed the company 'Bisi e Belleli'.

The company grew in the post-war period thanks to the demand for components for petrochemical plants, signing important supply and maintenance contracts for the Genio Civile and the State Railways. In the 1960s, by obtaining contracts for the design and assembly of part of the new Italsider plant in Taranto, the company began experimenting with important technological innovations and opened a new shipyard in Marina di Melilli in the province of Taranto, becoming a major player in the international petrochemical industry.

In the 1970s, Belleli penetrated the American and Middle Eastern markets, founding companies in Saudi Arabia for the construction and assembly of modules for thermoelectric and oil plants. During the 1980s, the company established itself as a supplier of components for the first nuclear power plants both in Italy and abroad, consolidating its international presence.

However, in the 1990s, the Belleli Group began to face financial and management challenges due to mounting debt and costly overlaps. The crisis deepened with huge losses and legal problems related to the founder's son, Aldo Belleli. This leads to the restructuring of the company, with divestments and the disengagement of the Belleli family from the board of directors. Subsequently, the company went through a series of acquisitions by American companies and finally returned to Italian hands with the acquisition by Gruppo Tosto in 2016.

The Renaissance of Belleli Energy CPE S.r.l. under the Wing of the Tosto Group

This marks a new phase for Belleli Energy CPE S.r.l., with the company striving to compete internationally through commitment, innovation and team cohesion. If the past has marked challenges for Belleli Energy CPE S.r.l., the future promises rebirth and innovation. After a tumultuous journey, the company's history has returned to a familiar and meaningful point. Under the aegis of the Tosto Group, Belleli Energy has begun a new chapter, with a clear vision and the determination to rise again as a leader in its field.

«My father tells me that in the years when Walter Tosto was a small local company, Belleli was his beacon. It was the big, modern company he dreamed of, for his family and his employees».

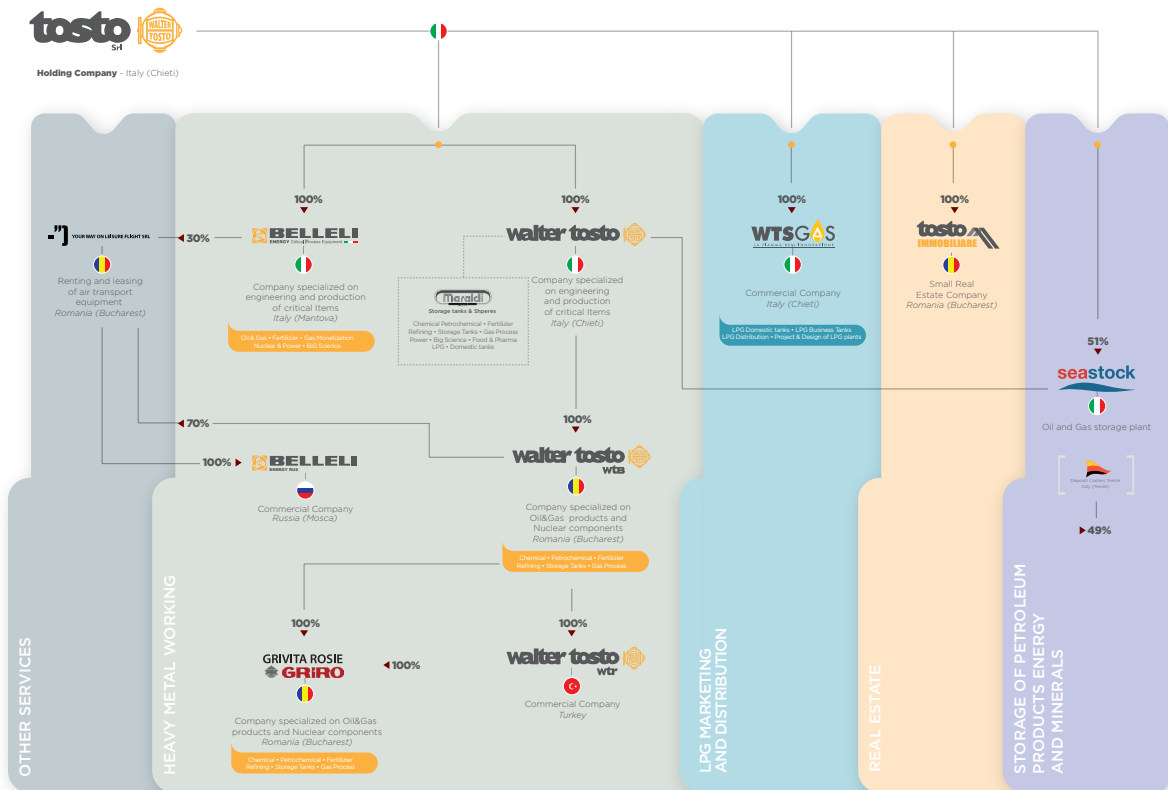
Luca Tosto

Belleli Energy CPE has renewed its commitment to innovation and competitiveness: with a renewed focus on research, the company has introduced new patented welding processes and made significant investments in the training of young people and the technological upgrading of its facilities. But the transformation did not stop at technological innovation. Belleli has also broadened its vision, collaborating closely with other Tosto Group companies on unique global projects.

CEO Paolo Fedeli expresses his confidence in the company’s future, emphasizing that despite the challenges presented by larger companies with impressive turnovers, Belleli Energy CPE can succeed with hard work, the ability to innovate, and a strong team spirit. With the support of the Tosto Group, the company is experiencing a new phase in its history, with the aim of maintaining its presence in the international industrial sector.

Property structure:

The Tosto Group, consisting of eleven companies with offices in Italy and abroad, generates a consolidated turnover of about 180 million euro and employs more than 1,300 people. Today, the Group is headed by Luca Tosto and is composed as follows



All companies share the same corporate philosophy of socially sustainable development, based on quality, innovation, transparency and flexibility.

The headquarters

With a total area of 280,000 m², of which 60,000 m² is covered, including offices and workshops, in the municipality of Mantua, Belleli Energy CPE boasts one of the largest and most modern production facilities in Europe. The vast area available offers enough space to accommodate large production plants, enabling the processing of complex and large projects. This capacity allows the company to cope with the production of sophisticated process equipment, both in terms of weight and size, without compromising the quality of work and respecting strict safety standards.

In addition, the plant's favourable location and good international transport connections make it easy to move equipment and serve customers worldwide. This ease of logistics is a key element in meeting global demands and ensuring timely delivery of products to customers.



The reference sector

The boilermaking sector, recognised by the Ministry of Foreign Affairs and International Cooperation as a symbol of Italian Made in Italy excellence (2021), is an impressive economic driver. With 23,000 direct employees and a further 30,000 in allied industries, as shown by AIPE’s 2021 figures, this sector reflects the importance and craftsmanship of the Italian manufacturing tradition.

Based on the study ‘Pressure Vessels Market by End-user and Geography - Forecast and Analysis 2021 - 2025’ commissioned by Technavio and released in 2022, the global pressure vessel market experienced a growth phase in 2020 and is expected to grow further until 2025.

The market outlook developed by studying the combined impact of the factors driving growth, together with the challenges faced by the industry, shows a compound annual growth rate of 4.98% between 2020 and 2025.

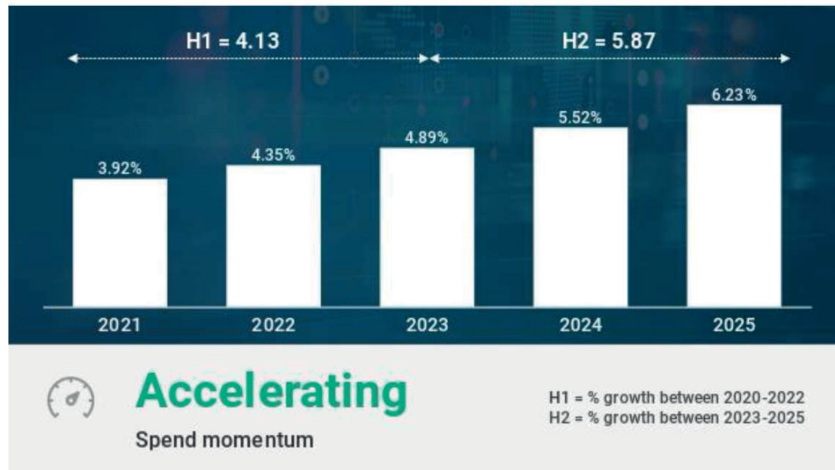
Exhibit 06: Global - Market size and forecast 2020 - 2025 (\$ billion)



The global pressure vessels market was valued at \$162.21 billion in 2020 and is estimated to grow to \$206.81 billion in 2025. This will create an incremental growth opportunity worth \$44.6 billion between 2020 and 2025, which translates to approximately 28% of the market size in 2020. In this limited growth environment, suppliers need to be both aggressive and defensive by capitalising on available growth opportunities. With limited growth opportunities, gaining market share from competitors will be an important means of stimulating growth for market participants.

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

Exhibit 07: Global market: Year-over-year growth 2020 - 2025 (%)



The pressure vessel market is divided into the following segments:

- Power generation Chemicals
- Oil and gas
- Others

The segments were classified according to their market size in 2020. Power generation was the largest segment, while the others constituted the smallest segment in 2020. The 2020 market position of two of the segments will change by 2025. The 2020 market ranking of three of the segments will remain the same by 2025, indicating that the market composition will change moderately.

Exhibit 15: End-user - Market share 2020-2025 (%)



| Year | Power generation | Chemicals | Oil and gas | Others |
|------|------------------|-----------|-------------|--------|
| 2020 | 34.12% | 31.86% | 23.12% | 10.90% |
| 2021 | 33.55% | 32.32% | 23.14% | 10.99% |
| 2022 | 32.98% | 32.78% | 23.17% | 11.07% |
| 2023 | 32.43% | 33.24% | 23.18% | 11.15% |
| 2024 | 31.87% | 33.70% | 23.20% | 11.23% |
| 2025 | 31.32% | 34.16% | 23.20% | 11.31% |

The environmental impact on the heavy boiler market

The issue of carbon emissions from the combustion of fossil fuels has been widely discussed over the past two decades. The Kyoto Protocol was the first international treaty signed in 1992 to reduce greenhouse gas (GHG) emissions. However, it failed to achieve its goals. After years of efforts by UN countries, such as the US, France, and the UK, more than 187 countries signed COP21 in France in December 2015. The signatories jointly agreed to limit global warming and keep the global temperature within 1.5 degrees Celsius above pre-industrial levels. COP21 was also significant because for the first time rich nations pledged to raise \$100 billion each year by 2020 to help poor countries transform their economies. Each country had to declare the steps needed to reduce greenhouse gas emissions and set targets to achieve them. In addition, signatories are mandated to review and report progress in a few years. Although individual countries' plans to reduce emissions should show long-term results, the impact of these decisions should be visible in the medium-term future.

Many countries are working to reduce greenhouse gas emissions by reducing the use of fossil fuels and using electric vehicles (EVs), biofuels and natural gas in the transport sector. In energy production, countries should expand the use of hydropower, wind, solar and nuclear energy. Any decrease in the market share of fossil fuels in power generation will result in a corresponding decrease in demand for boilers. Consequently, the market for boiler water treatment systems will also be affected.

Market trends

The growth of the **nuclear** industry is supported by its high reliability in providing uninterrupted and continuous power, with the ability to produce energy throughout the year. In addition, nuclear power provides clean, carbon-free electricity, contributing to the achievement of carbon reduction targets for many nations. For countries with low fossil fuel reserves, nuclear power is an important contributor to energy production, as the cost of importing fossil fuels or electricity would be much higher, leading to low adoption of these alternatives. Therefore, growth in the nuclear power sector will translate into growth in the pressure vessel market during the forecast period.

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

As a result, investments in nuclear and wind energy are increasing significantly, contributing significantly to the growth of the pressure vessel market in the European energy industry.

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

At present, hydrogen accounts for only about 3% of the world's energy consumption, and only a small amount, about 0.01% of this, is used as an energy carrier (about 1000 tonnes per year). However, the growing interest in its potential as a clean energy source is remarkable, as it can contribute significantly to reducing greenhouse gas emissions. The large-scale adoption of hydrogen as an energy carrier could be an important solution to address climate change and sustainable energy challenges.

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

In 2018, hydrogen production was about 115 million tonnes, with 27% produced from coal, 70% from natural gas and only 1% from electrolysis. Only the remaining 2% was produced through other technologies. However, despite the still small size of the fuel cell industry, there has been considerable growth in recent years.

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

Belleli Energy CPE's R&D is aligned with global strategies, such as those proposed by the International Energy Agency (IEA), to drive the transition to clean energy. The company is committed to innovation and market reform to promote sustainable solutions, including renewable energy, hydrogen, circular economy, low carbon solutions and energy efficiency.

Main products and new business

2-6

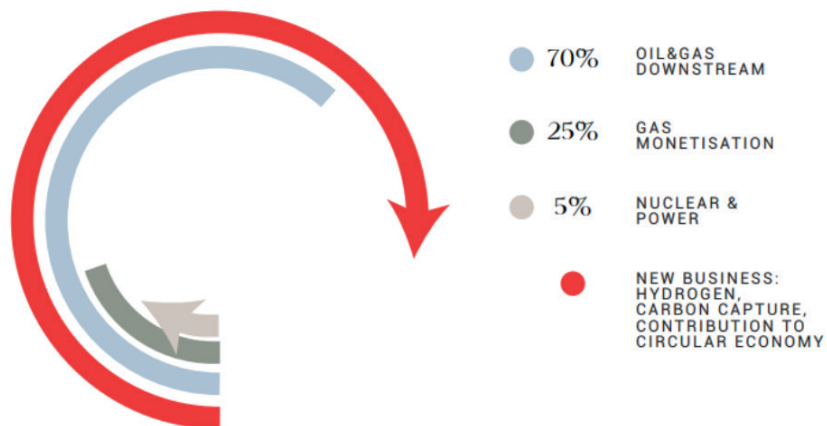
The brand under which the company sells its products is a powerful platform through which the company communicates its core values. It conveys a message of credibility, reliability and high quality, emphasising expertise and specialisation in the production of pressure equipment. This brand is synonymous with advanced technology and deep industry expertise, reflecting the company’s commitment to innovation and excellence.



The strength of this brand lies in creating a connection with customers, offering a symbol of trust that helps build strong and lasting relationships with current and potential customers. A positive brand reputation is a competitive advantage for the company, as customers tend to prefer a manufacturer with a solid reputation for quality and reliability.

The company designs and manufactures critical process and storage equipment for the Oil & Gas, Gas monetisation, Nuclear & Power sectors.

Recognising the importance of making long-term strategic choices and addressing ongoing global challenges, the Group has planned to expand its offering towards products that take into account inescapable complexities such as environmental, ethical and social dimensions. This new direction includes researching and developing solutions that have a positive impact on the environment, reducing polluting emissions and promoting the use of sustainable energy sources.



OIL & GAS DOWNSTREAM

Belleli Energy CPE stands out for its high level of expertise in the design and manufacture of critical components for the petrochemical and refinery industries. These include large reactors (up to 1,850 tonnes), high pressure and high temperature separators and heat exchangers used for processes such as hydrocracking, hydrotreating, desulphurisation and gas treatment. The company has positioned itself as a supplier of choice due to its ability to use industry-leading materials such as low alloy chrome-molybdenum- vanadium steels, nickel alloys and stainless steels. All this is done in compliance with the main international codes established for design and production, guaranteeing high quality and performance components.

GAS MONETIZATION

With regard to gas monetisation, i.e. the transformation of gas into chemicals, Belleli Energy CPE engages as a partner to process licensees in the urea, ammonia and methanol sectors. The company supplies critical process equipment globally, with an emphasis on the production of large heat exchangers that require the use of advanced corrosion-resistant materials. Belleli Energy CPE can draw on its vast experience and historical expertise in this field, ensuring excellence in the solutions provided and the supply of reliable, high quality equipment.

NUCLEAR & POWER

The company is already active in the field of nuclear fusion research with the construction of two Vacuum Vessel segments for the ITER (International Thermonuclear Experimental Reactor) project. In addition, qualification activities are underway to supply critical components for other TOKAMAK machines that will be launched in the coming years.

Considering the fact that nuclear fission energy and, in the coming decades, fusion energy represent continuous sources of energy with virtually no CO₂ emissions, the Tosto Group believes that this area will see significant growth in the short and medium to long term. This development is necessary to achieve the Green Deal targets by 2050, in line with global efforts to reduce environmental impact and tackle climate change. The growth of the nuclear sector represents an important opportunity to contribute to a transition to more sustainable and low-carbon energy sources.

New Business: HYDROGEN, CARBON CAPTURE, CONTRIBUTION TO CIRCULAR ECONOMY

Belleli Energy CPE plays a leading role in the transition process towards a low-carbon economy not only in Italy, but also in Europe and worldwide. The company invests in the research and development of projects aimed at combating climate change through the responsible use of resources, the integration of other energy sources and the recycling of waste, following a circular economy logic. This evolution of the business is in line with the Sustainable Development Goals (SDGs) defined by the United Nations Global Compact, to which the Tosto Group adheres.

Belleli Energy CPE has conducted in-depth studies for process licensees, focusing mainly on material qualification and identification of possible manufacturing alternatives for critical equipment used in waste or plastics recycling. In addition, the company has ambitions to address the design of equipment used in circular processes, such as gasification and pyrolysis.

The company is also very active in the renewable energy sector, with a particular interest in the storage of green hydrogen gas. In this area, Belleli Energy CPE collaborates with industrial partners, research organisations and universities to carry out detailed studies and promote innovation in this growing sector. This commitment testifies to the company’s willingness to contribute to the advancement of low-emission and sustainable technologies, to facilitate the transition to a greener and environmentally resilient future.

Customers

2-6

| GAS MONETIZATION | OIL & GAS DOWNSTREAM | NUCLEAR & POWER SPECIAL PRODUCTS |
|------------------|----------------------|----------------------------------|
| | | |

Belleli Energy CPE constantly strives to cultivate and enhance long-lasting relationships with its customers, considering their loyalty a fundamental pillar for company performance. The value of a loyal customer is recognised as superior to many marketing efforts or promotional strategies, especially in an industry such as heavy boilermaking, where high quality service resonates globally. The company pays special attention to the aspects that customers consider critical: adherence to delivery schedules, high quality deliveries that meet contractual technical requirements, and a proactive attitude geared towards collaborative resolution of challenges that arise during project implementation.

By adopting this customer-oriented philosophy, Belleli Energy CPE has earned the trust and respect of numerous international customers over the years, establishing strategic and lasting partnerships, particularly in the Netherlands and the United States.

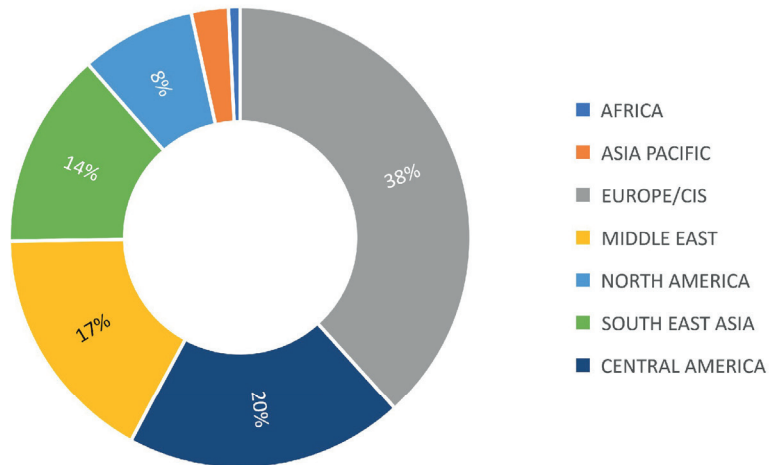
Research and Development represent other strategic areas of interest for Belleli Energy CPE, always aiming to create value in relations with its customers. The company is involved in multiple co-design and value engineering activities with its main customers, with the aim of supporting them in their technical development activities, thus consolidating the bond of loyalty.

Geographical coverage

Strongly present and internationally recognised, Belleli Energy CPE is included in the vendor lists of the most important customers worldwide. Although the market has been subject to an increasing presence of manufacturers from low-cost countries, Belleli Energy CPE has been able to maintain its position as market leader by focusing on quality, reliability, financial solidity and on-time delivery. Belleli Energy CPE exports 98% of its products abroad. It therefore has an international vocation and is known and renowned all over the world. The type of markets supplied (Oil & Gas, Petrochemical and Power) in fact drives the company to export its products and services wherever there is a need to build new plants or replace existing items.

The list of target markets follows, based on each region's share of total turnover (average percentage over the last three years)::

The markets by geographic areas



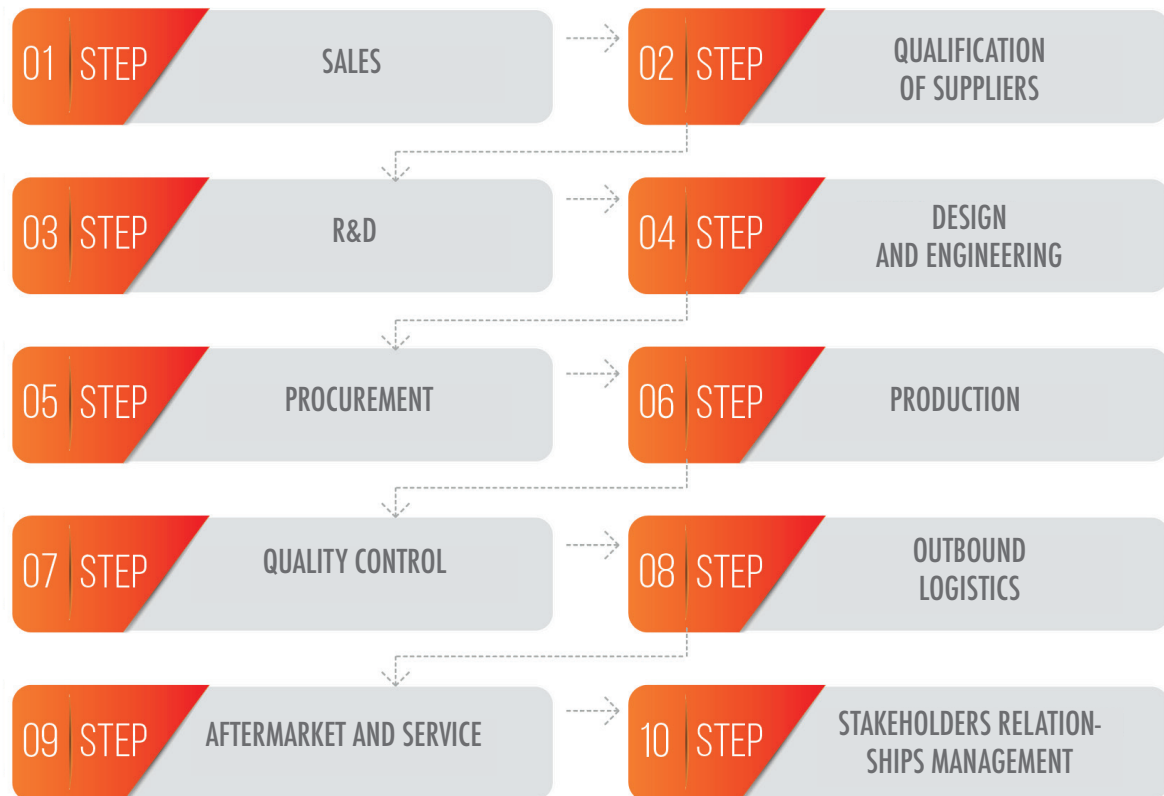


BUSINESS MODEL AND OPERATIONS

The Value Chain

2-6

Belleli Energy CPE's value chain is characterised by the strategic integration of advanced supplier management, innovative production processes and effective logistics. This structure, enhanced by an ongoing commitment to excellence in quality, safety and customer service, ensures the production of safe, reliable and high-quality solutions. All these elements, combined with a deep focus on innovation and customer relations, are key to promoting the transition to a low-carbon economy.



Qualification Process

2-6

The Qualification Process is an important procedure that companies in the Belleli Energy CPE (Supplier) sector must undergo in order to be “admitted” to the List of Suppliers of large groups in the Oil & Gas, Chemical, Petrochemical and Nuclear (End User/Main Contractor/Licensors) sectors. The scope of action of players in this sector are at the centre of attention of Governments and environmental organisations, as they directly impact on issues such as Health and Safety, so a careful assessment of the technical, quality and compliance requirements of the equipment produced becomes essential.

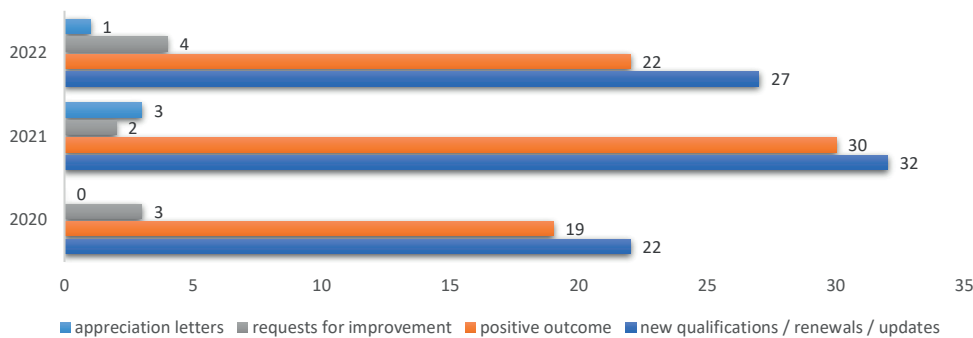
The Qualification Process has two main objectives:

- **Verification, evaluation and monitoring:** he technical, organisational and management capabilities of potential suppliers are verified and evaluated. This includes the assessment of compliance with HSEQ (Health, Safety, Environment, Quality) requirements, ethical reputational reliability and the company’s economic and financial soundness, in accordance with the standards defined by the End User and current regulations;

- **Selection of the best suppliers on the market:** nce the qualification process is underway, a multidisciplinary team of experts assesses the supplier through documentary analysis (Questionnaires and Follow-up Documents). If necessary, a field audit may also be required to assess the supplier’s competencies (Technical Assessment), capabilities and means.

The outcome of the Qualification Process will be accompanied by an official communication from the End User/Main contractor/ Licensor to the Supplier. If positive, either by an actual Qualification Certificate or by an official letter/email. In addition, if improvement is required in specific areas of the supplier, an improvement plan providing guidelines for the required improvement actions may be included.

Qualifications, renewals and updates



Excellence in customer service

2-25 2-26

Belleli Energy CPE is known for its technological excellence and has developed state-of-the-art systems to guarantee customers the highest quality and reliability in the products it supplies.

Customer expectations are the starting point for the company’s strategy, which is based on tools aimed at improving production processes and the value provided to customers. The company takes a high sense of responsibility in the production of pressure vessels, ensuring that they are suitable for the purpose for which they are required and manufactured. These products must be manufactured in strict compliance with the applicable technical requirements, and at the end of the production process, they are certified to ensure regulatory compliance and operational safety.

With this in mind, it is essential that both the company and its processes in general, as well as its products, are certified by external organisations recognised nationally and internationally. Quality certifications therefore respond to the need for safety, standardisation and guarantee of products and manufacturing processes. Obtaining and maintaining these certifications certifies

that the company’s Quality System is such that it can guarantee that the products manufactured will respect and comply with all the requirements established by the various technical standards, and will be adequate to operate safely for the purpose for which they were made. Since 1998, Belleli Energy CPE has been operating with a quality management system that meets the standards of ISO 9001 certification. In addition, it has obtained other important certifications, including ASME U, U2, S. The company also strives to obtain international credits, such as SELO CHINA certification, which allows it to operate in China. In 2008, the ASME N, NPT and NS Stamps on ‘Rules for the Construction of Nuclear Components’ were obtained.

| TYPE OF CERTIFICATE | DESCRIPTION | BODY THAT ISSUED THE CERTIFICATE | ISSUE DATE | EXPIRATION DATE |
|----------------------------------|--|--|------------|-----------------|
| ISO 9001:2015 | COMPLIANCE WITH ISO9001 FOR QUALITY MANAGEMENT SYSTEM | DNV | 12/05/1998 | 01/08/2024 |
| ISO 45001:2018 | COMPLIANCE WITH ISO 45001 FOR OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM | Bureau Veritas Italia | 24/05/2022 | 23/05/2025 |
| SELO: PRESSURE VESSELS | SAFETY MANUFACTURING LICENSE FOR PRESSURE VESSELS | GENERAL ADMINISTRATION OF QUALITY SUPERVISION, INSPECTION AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA | 21/01/2020 | 02/06/2023 |
| CERTIFICATE OF AUTHORIZATIONS | MANUFACTURE OF POWER BOILERS AT SHOP AND/OR FIELD SITES | ASME | 20/11/2021 | 20/11/2024 |
| CERTIFICATE OF AUTHORIZATION U | MANUFACTURE OF POWER BOILERS AT SHOP AND/OR FIELD SITES | ASME | 18/05/2021 | 18/05/2024 |
| CERTIFICATE OF AUTHORIZATION U2 | MANUFACTURE OF PRESSURE VESSELS AT SHOP AND/OR FIELD SITES | ASME | 18/05/2021 | 18/05/2024 |
| CERTIFICATE OF AUTHORIZATION N | DESIGN, FABRICATION AND INSPECTION OF PRESSURE COMPONENTS ACCORDING TO ASME CODE SECTION III (NUCLEAR) | ASME | 04/01/2020 | 04/01/2023 |
| CERTIFICATE OF AUTHORIZATION NPT | DESIGN, FABRICATION AND INSPECTION OF PRESSURE COMPONENTS ACCORDING TO ASME CODE SECTION III (NUCLEAR) | ASME | 09/12/2011 | 09/12/2023 |
| CERTIFICATE OF AUTHORIZATION NS | DESIGN, FABRICATION AND INSPECTION OF PRESSURE COMPONENTS ACCORDING TO ASME CODE SECTION III (NUCLEAR) | ASME | 09/12/2011 | 09/12/2023 |

These certifications testify to the company’s commitment to quality, safety at work and adherence to international standards and specific regulations for the industrial sectors in which it operates. Belleli Energy CPE thus demonstrates its dedication to excellence and to protecting the environment and workers, guaranteeing safety and quality in all its production activities.

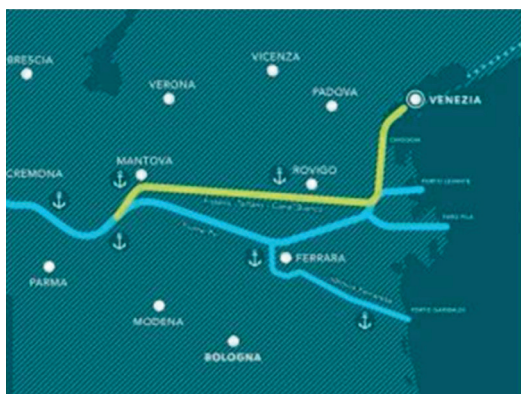
Outbound logistics

2-1

In addition to its high technological capabilities, Belleli Energy CPE attaches great importance to punctual deliveries, considered a key factor in customer satisfaction and loyalty. Logistics is a crucial process that consists in planning, implementing and controlling the actual flow of raw materials, work-in-progress, finished products and related information, from the point of origin to the point of destination, in order to meet production needs and customer requirements. This whole process is carried out while never neglecting the importance of the impact logistics has on the environment: optimising transport proves to be the most effective tool to help reduce the amount of harmful emissions into the atmosphere. The challenges for companies that decide to go the eco-friendly route are manifold as they have to reduce their environmental impact while at the same time creating competitive advantages.

Material flow management is organised to reduce road travel and favour transport by river or sea for larger batches, helping to reduce harmful emissions into the atmosphere. The company’s excellent logistics management has enabled it to specialise in the delivery of large, high-performance reactors, readily adapting to more stringent and demanding project requirements.

Belleli Energy CPE favours environmentally friendly transport solutions and exploits the existing river infrastructure in the Mantua area to make logistics sustainable. Most items are delivered by sea transport, as they far exceed the dimensions of standard packages. These are embarked directly from the sea-front workshops on the Adriatic in Italy.



Belleli Energy CPE has a private port area of 25,000 square metres, served by its own barge with a nominal loading capacity of 2,000 tonnes.

- The company also has at its disposal:
- A 78 m long loading dock;
 - 4 lifting cranes (Derrick type), with a load capacity of up to approximately 1,500 tonnes.

The port is directly connected by artificial canals and the river Po to Porto Marghera (Venice).

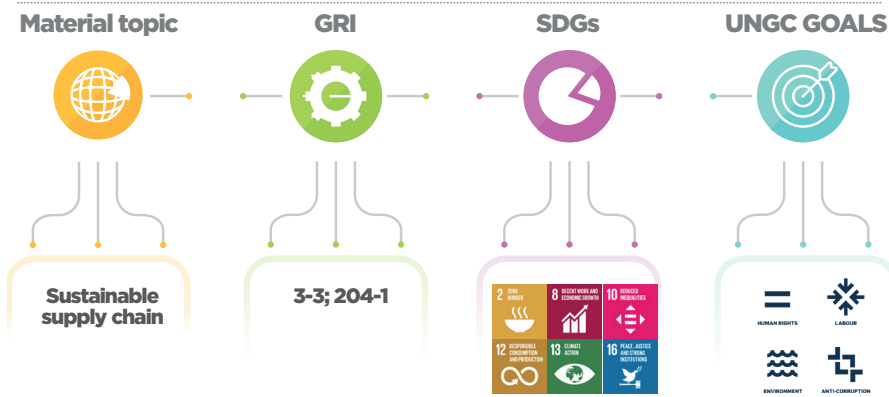
Awareness of how crucial and indispensable the logistics process is for the success of any project, makes this aspect a key critical element for Belleli Energy CPE that differentiates it from its competitors.



SUPPLY CHAIN

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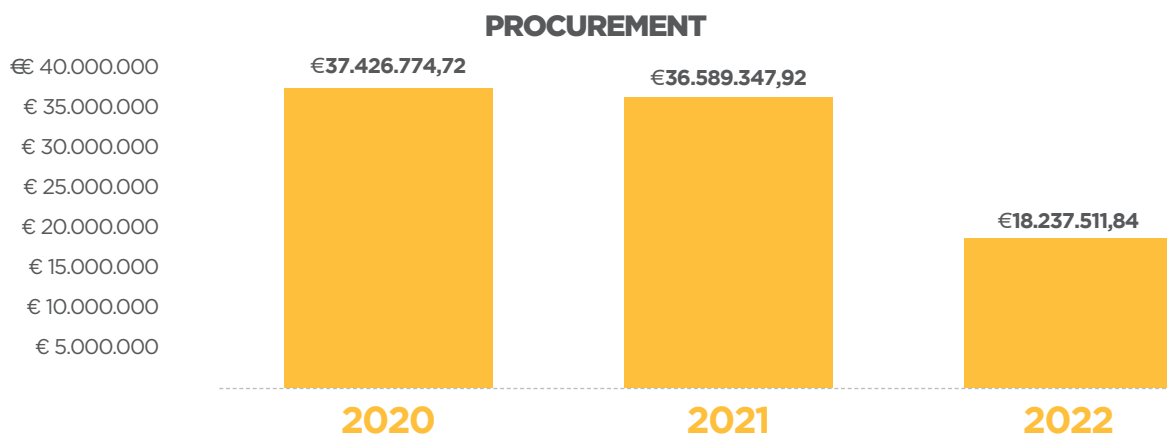
Supply chain



Belleli Energy CPE’s supply chain is a complex network of over 1,400 companies that play a crucial role in contributing to the company’s competitiveness on a daily basis, ensuring compliance with quality and safety requirements for supplies and actively collaborating in contract management and open innovation processes, sharing knowledge, skills and technologies.



In 2022, the total value of Belleli Energy CPE’s purchases amounted to €18,237,512, a decrease of 50% compared to the previous year, which was €36,589,347.92. The observed decrease in purchases is attributable to a diversified production mix and a strategy of subcontracting some orders from Walter Tosto S.p.A. to Belleli Energy CPE. This strategy aims to optimise resource management and make the most of the specific skills of the two entities. These figures reflect the dynamism of the industry and the company’s ability to adapt to changing market conditions.



Belleli Energy CPE supplies are divided into four different product categories:

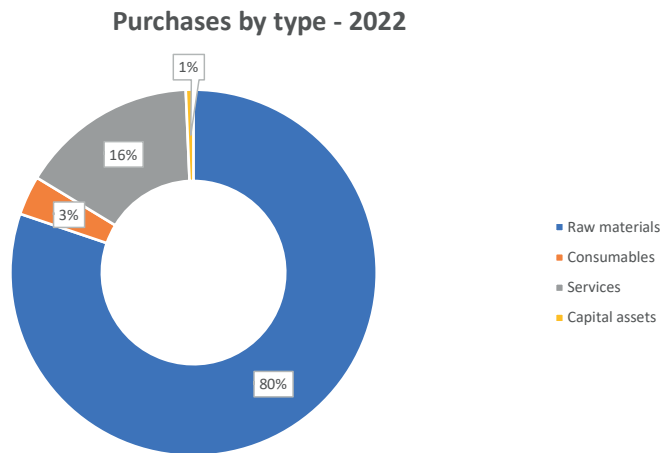
Raw materials: This category accounts for 80% of total supplies. Raw materials include all raw or semi- finished materials used in the production of the company’s finished products. These can be plates, forgings, tubes, profiles, components and other resources used in heavy boilermaking and pressure vessel production.

Services: This category constitutes 16% of total supplies. Services include all activities or services required by the company to carry out its operations. These may be maintenance services, technical support, logistics, transport, and other services required for the operation of the company.

Consumables: This category represents 3% of total supplies. Consumables are objects or materials used by the company on a frequent or regular basis, but which are not considered raw materials or capital goods. They may include materials for daily use or for temporary use, such as tools, utensils, equipment, etc.

Capital Assets: This category constitutes 1% of total supplies. Capital goods include investments in durable assets or physical resources that the company acquires and owns for an extended period of time, such as machinery, equipment, plant, buildings, etc.

This subdivision of supplies into different product categories helps the company to better manage and monitor expenditure and resources allocated to each category, ensuring efficient and optimised procurement for the operation of its business.



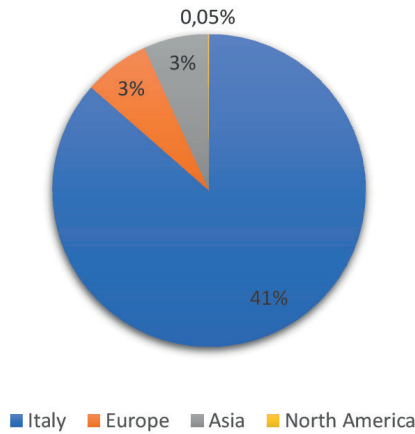
Belleli Energy CPE shows a strong commitment to conducting checks and verifications regarding the areas of origin of certain materials, known as ‘Conflict Minerals’, including gold, tantalum, tin and tungsten. This focus is aimed at promoting humanitarian objectives, such as ending conflicts in certain areas of the world that are partially financed by trade in these materials.

In particular, the company carries out rigorous checks on the origin of the materials it uses, especially tungsten-bonded tips for gouging processes, to ensure that these materials do not come from conflict zones or from suppliers involved in illegal or unethical activities.

Belleli Energy CPE works with suppliers who certify the origin of materials, ensuring that they are obtained from legitimate and sustainable sources. This is an important step towards promoting responsible business practices and supporting efforts to end conflicts related to minerals from these areas.

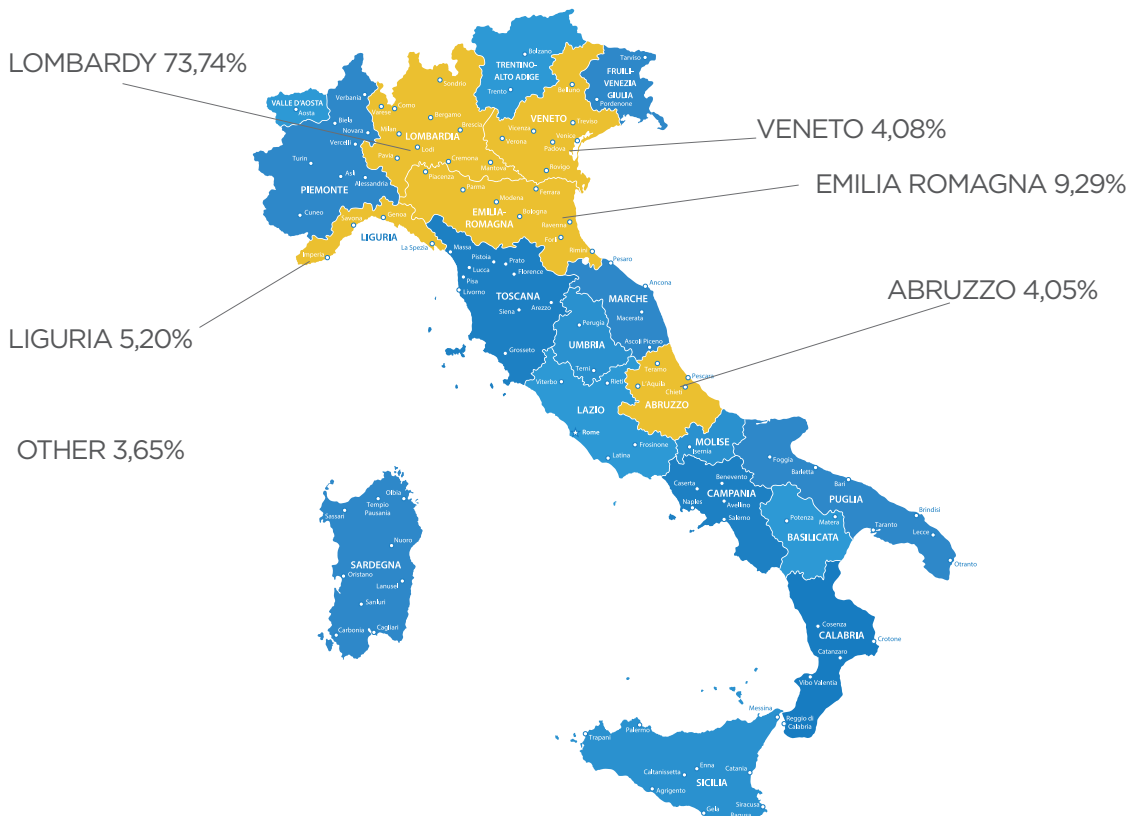
The company thus demonstrates its sensitivity to humanitarian issues and corporate social responsibility, helping to support global goals of peace, sustainability and justice. The following graph shows the percentage of suppliers by geographic area:

% Purchases by geographical area



The overall values for purchases in the domestic market describe the interconnection between the companies and the economic fabric in which they operate: in 2022, 82% of Belleli Energy CPE’s total procurement will come from the domestic market, according to a local-for-local supply logic.

Adopting a shorter supply chain strategy can help reduce a company’s carbon footprint by limiting the use of carbon-intensive processes such as aviation and shipping. In this regard, shortening the supply chain can be a prudent risk management strategy as investors’ sensitivity to the longitudinal risks of climate change, biodiversity loss, labour exploitation and human rights violations in supply chains continues to intensify.



Supply Chain Analysis and Management

Given the importance in terms of both quality and safety of the products manufactured, Belleli Energy CPE S.r.l. has implemented a company procedure aimed at selecting and evaluating its suppliers of materials and strategic services (Supply Chain Analysis and Management).

Strategic materials and services are defined as all those that have a fundamental influence on compliance with the quality, safety and contractual requirements of the end product, and those that represent a significant cost factor in the overall economy of the company.

Specifically, Belleli Energy CPE relies on the best-known, reputable and internationally recognised suppliers, who have a solid and durable quality system based on ISO9001 and periodically assessed by third-party organisations that certify their continuous compliance with the requirements.

When it is not possible to rely on suppliers whose seriousness has already been assessed, qualification audits are carried out (using qualified internal staff or external bodies), prior to the issue of a possible order, to ascertain the supplier's technical validity and seriousness in terms of both quality and safety in the workplace. Only after the satisfactory outcome of these audits can the supplier be included in the Approved Vendor List and be considered for the supply of strategic materials or services.

In addition, the Purchasing function, in cooperation with the Administrative and Customs Office, checks for the possible presence of names or company names of potential suppliers on black lists published by bodies such as the Bank of Italy, UN Lists, EU Lists, OFAC Lists and the Internal Revenue Service with a view to preventing the company's involvement in potential episodes of receiving stolen goods, money laundering and terrorist financing.

Another aspect taken into account is the economic and financial sustainability of the supplier, by means of an in-depth analysis to identify any anomalies that could cause inefficiencies in supplier relationship management.

The table below shows the main critical success factors together with the relevant indicators used to carefully analyse this dimension.

| Extended Value Chain Size SUPPLIERS | |
|--|---|
| FCS | KPI |
| Physical-technical quality | No. of defective pieces/Total pieces delivered Defect rate period/Previous year defect rate No. of rework |
| Quality of service | No. on-time deliveries/Total deliveries period Average order processing time No. of deliveries in conformity with order/Total deliveries in period No. of rearrangements |
| Costo del processo di approvvigionamento | Supplier Management Costs/Value of Purchased No. of reminders to supplier |

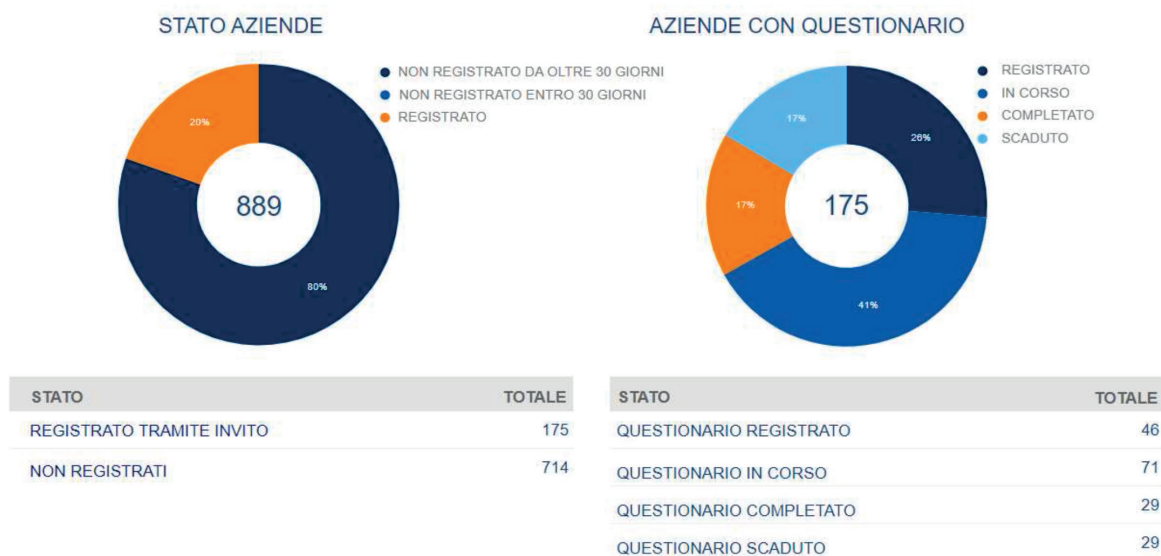
Belleli Energy CPE's objective is to become an example and an important reference point along the entire value chain by promoting and encouraging suppliers to engage in actions that go beyond meeting efficiency and quality requirements in order to benefit the environment and society.

Evaluation of suppliers according to ESG criteria

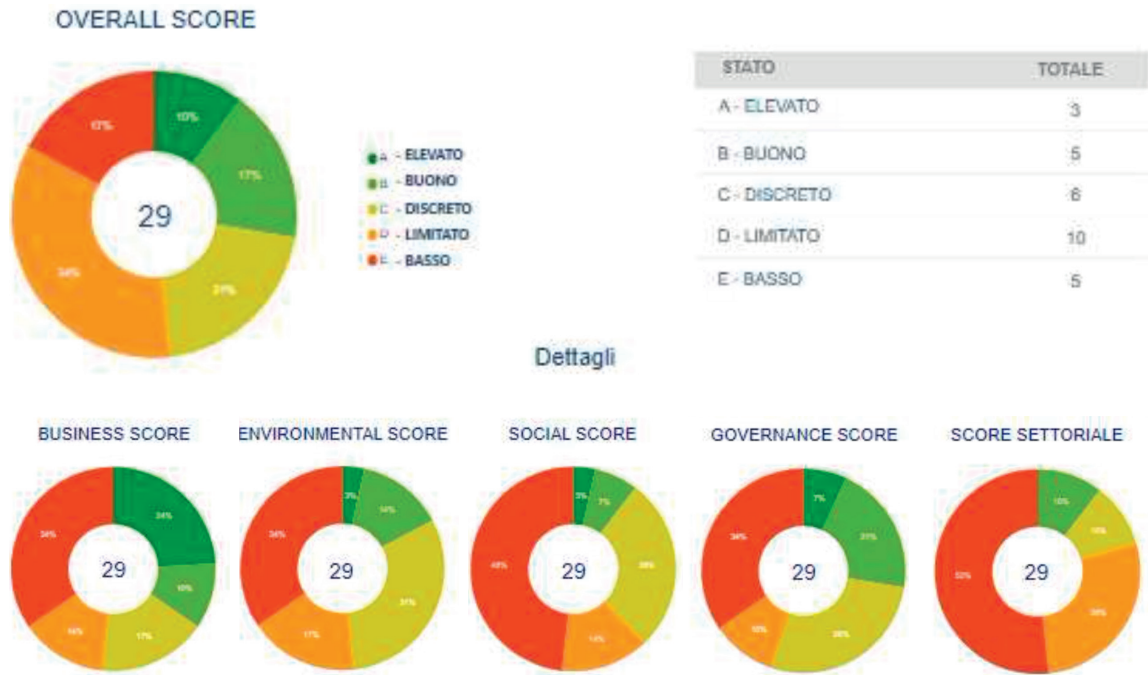
Belleli Energy CPE is taking significant steps to assess and promote sustainability among its suppliers. In addition to technical and economic audits, the company has involved suppliers in filling out the Synesgy questionnaire on the CRIF Group's global digital platform. This questionnaire aims to understand the suppliers' maturity path towards ESG (Environmental, Social, Governance) criteria.

The main objective of this initiative is to also involve small companies and encourage them to adopt sustainability issues, considering systemic and socio-economic risks and committing to decarbonising their operations.

As of 31 December 2022, 889 companies were invited to fill out the questionnaire, but only 175 signed up. The results of the evaluation are based solely on the data provided by 29 companies that completed the entire compilation process.



Below are the ESG scores of the supply chain:



Local content

The introduction of local content requirements by developing countries is an increasingly common phenomenon in the international regulatory landscape. The concept of local content refers to the added value that a nation, region or locality can achieve through workforce development and investment in the development of local suppliers. Local content policies may include requiring or encouraging companies operating in the country to use a certain percentage of local components, labour or services in their operations. This may include hiring local staff, purchasing locally produced raw materials or components, and supporting local companies to develop their technical and production capabilities. This strategy aims to promote sustainable economic growth and create social and commercial benefits for the local community.

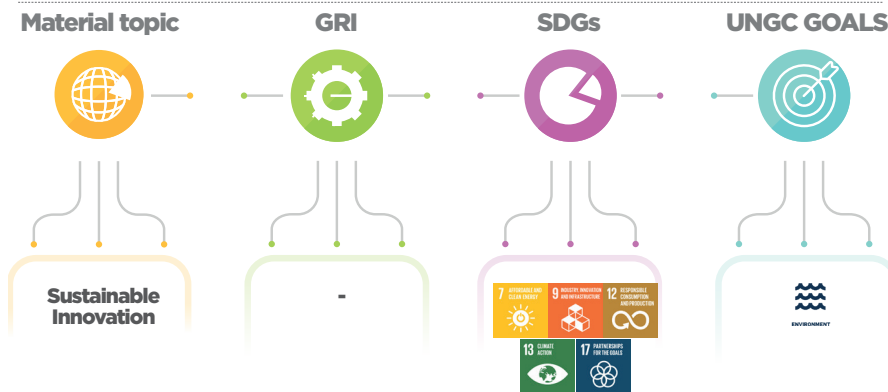
Belleli Energy CPE has realised the importance of supporting its partners through a local content strategy. The company is committed to transferring know-how and technical skills to local suppliers, contributing to the training and growth of skills throughout the value chain. This strategy not only promotes the economic growth of local communities, but also creates a competitive advantage for the company itself, as it has local suppliers with improved skills and technical capabilities.



INNOVABILITY

| | 2020 | 2021 | 2022 | SDGs target |
|--|------------------|------------------|------------------|-------------|
| R&D expenditure | 864.403 € | 574.680 € | 850.764 € | |
| Evolutionary and adaptive systems | 407.484 € | 288.748 € | 102.223 € | 9, 12 |
| Advanced materials | 23.191 € | 29.151 € | | 9, 12 |
| Innovative processing | 78.246 € | 191.743 € | 614.363 € | 9, 12 |
| Innovative Equipment / Machinery | 355.481 € | 10.284 € | 20.109 € | 9, 12 |
| Innovative products | | 54.753 € | | 9, 12 |
| Renewable energies | | | 11.420 € | 7, 12 |
| Energy efficiency / Low CO2 emissions | | | 67.866 € | 12, 13 |
| Green hydrogen | | | 11.420 € | 13 |
| Digitalization | | | 23.363 € | 9 |
| Living patents | 8 | 8 | 7 | |
| Average age of patents | 4,12 | 5,12 | 5,14 | |
| Number of R&D partnerships | 3 | 1 | 4 | |
| of which Universities and Research Centres | 2 | 0 | 0 | |
| Employees engaged in R&D&I | 19 | 90 | 55 | |

Research and Development



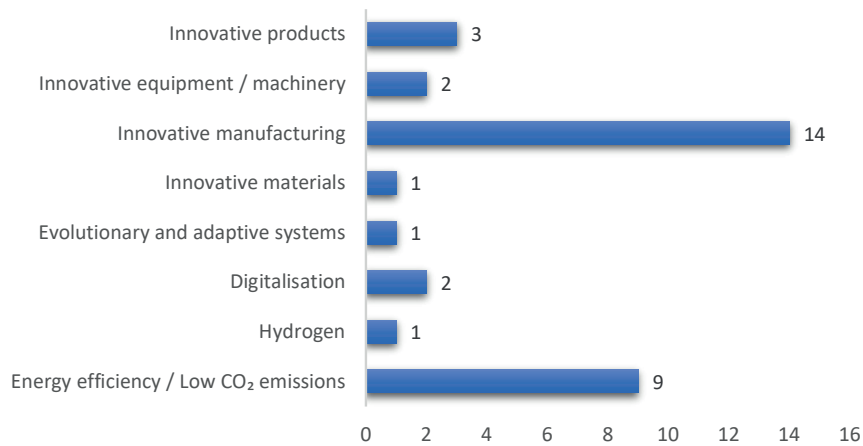
Belleli Energy CPE attaches great importance to research and development (R&D) and innovation, considering them fundamental contributions to the realisation of a new social, sustainable and inclusive economy. The company uses the definitions provided by the Frascati Manual and the OECD Oslo Manual to guide its applied research, experimental development and innovation activities, with the aim of adding value both to the company itself and to its stakeholders. Most of Belleli Energy CPE's R&D projects are oriented towards the company's production needs and goals and focus on technical-engineering activities, such as testing, prototypes and pilot plants. These projects aim to develop innovative and advanced solutions to improve the company's products and processes, increasing its competitiveness and sustainability in the market. R&D interactions with other business functions are essential for successful innovation activities. These interactions reduce risks and enhance the company's resources and knowledge, creating a 'cultural environment' within the company that encourages change and the adoption of new ideas and technologies.

Areas of R&D

Belleli Energy CPE has invested in several research and development projects to promote innovation and sustainability in the following areas:

- **Energy Efficiency / Low CO₂ Emissions:** The company has worked to improve the energy efficiency of its production processes and the products themselves. This helps to reduce CO₂ emissions and minimise the environmental impact of operations.
- **Hydrogen:** Belleli Energy CPE has devoted significant efforts to the research and development of hydrogen-related technologies, including work to identify the most suitable material for the construction of pressure vessels for the storage of hydrogen gas.
- **Digitalization:** Belleli Energy CPE has adopted digital solutions to optimise business processes and improve operational efficiency. This includes the implementation of IoT sensors for real-time monitoring of machine performance and the use of artificial intelligence algorithms to optimise the cutting and machining process. In addition, the company used an advanced numerical control system and CNC programming software to improve automation and control of machining operations, reducing set-up times and errors.
- **Evolutionary and adaptive systems:** Belleli Energy CPE has developed advanced and flexible production systems capable of adapting to the changing needs of the market and industry.
- **Advanced materials:** Belleli Energy CPE conducted technological innovation activities focused on the qualitative evaluation, weldability and mechanical characteristics of the material 9CrV. This project aims to evaluate the possibility of extending the use of this material on pressure equipment for refinery and petrochemical plants. The objective is to identify a high-performance material that can guarantee the safety and reliability of equipment used in critical environments such as refineries and petrochemical industries.
- **Innovative machining:** Belleli Energy CPE has conducted technological innovation and innovative machining projects in several areas, including the 'MONOWELD' welding process, the use of the Inconel 625 material production process with Additive Manufacturing by means of Laser Powder Bed Fusion, the use of laser technology for welding of tube-plate exchangers, ultrasonic control on welds of superduplex materials, and the application of new drilling techniques.
- **Innovative Equipment / Machinery:** The company has started a study to introduce the Electron Beam Welding process, on Superduplex materials a high-tech machine that would allow welds to be made in less time and significantly reduce residual stresses after welding and related deformation containment problems for parts with particularly strict dimensional tolerance requirements. In addition, Belleli Energy CPE has developed a new forming technique to make large-diameter 90° bends for stainless steel pressure vessels, improving production efficiency and processing quality.
- **Innovative products:** Belleli Energy CPE has dedicated efforts to the design and development of new state-of-the-art products, carrying out numerical and experimental characterisation of the tensional state of large welded joints using advanced FEA (Finite Element Analysis) methods.

Areas of R&D and innovation



Open Innovation

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Innovation is a process that goes far beyond technology and implies a cultural change that involves the entire organisation and the way it relates to the world. Joseph Schumpeter, the economic development theorist, placed innovation at the centre of his analysis, describing it as a wave of change that starts from a company or entrepreneur and spreads like a swarm of bees towards new initiatives and new development opportunities.

Open innovation is a strategic corporate approach to stimulate innovation by involving a network of highly specialised partners who can add value to the company’s internal know-how. The company that adopts an open innovation mindset proves to be more flexible and able to adapt quickly to changes in the economic and social environment, allowing it to maintain a competitive advantage in the long term.

Collaborations with Universities and Research Centres

2-28

Belleli Energy CPE has established numerous collaborative research and development relationships with prestigious academic institutions and research centres. Among these prominent partners are the **Milan Polytechnic**, the University of Modena and Reggio Emilia (**UniMore**) and the **Italian Institute of Welding**.

One of the most significant relationships was the advanced training course ‘Critical process equipment expert,’ concluded in 2021, which involved the collaboration of these important academic partners. This course deepened expertise in the field of design and manufacture of critical equipment, contributing to the development of high-level skills in the field.

In addition, Belleli Energy CPE actively participates as a non-formal member in various Association Petroleum Institute (API) committees, contributing its experience and expertise in the field of equipment design and manufacturing to establish guidelines on specialised aspects of materials, such as welding and heat treatment (API 934; API 582; API 938). This involvement demonstrates the company’s commitment to contributing to the advancement and standardisation of the materials sector in the oil and gas industry.

Publications

Belleli Energy CPE has produced several publications resulting from applied industrial research in collaboration with universities, research institutions and other companies. Belleli Energy CPE's most relevant publications are listed below:

- Fusari, F., Marangoni, P., Musti, M., Alberini, S., 2017. Improvements in the Welding Technology for Heavy Wall Pressure Vessels 2 1/4 Cr 1Mo 1/4 V Low Alloy Steels, in: Volume 5: High-Pressure Technology; ASME Nondestructive Evaluation, Diagnosis and Prognosis Division (NDPD); SPC Track for Senate. Presented at the ASME 2017 Pressure Vessels and Piping Conference, American Society of Mechanical Engineers, Waikoloa, Hawaii, USA, p. V005T05A012. <https://doi.org/10.1115/PVP2017-65663>
- Colombo, C., Monti, S., Guagliano, M., Vergani, L., Fiordaligi, E., Fusari, F., 2020. Numerical and experimental residual stresses of different welded joint configurations in heavy walls. Proceedings of ASME Pressure Vessels and Piping Conference PVP2020 July 19-24, 2020, Minneapolis, Minnesota
- Trinca, G.B., Ronchi, N., Fusari, F., Fiordaligi, E., 2020. Alternative Design Approach by Finite Element Analysis for High Pressure Equipment, in: Volume 3: Design and Analysis. Presented at the ASME 2020 Pressure Vessels & Piping Conference, American Society of Mechanical Engineers, Virtual, Online, p. V003T03A032. <https://doi.org/10.1115/PVP2020-21540>
- Fusari, F., 2021. "Requirements for hydrogen storage: material selection and inherent quality tests." XII International Conference "Gas and Petrochemical. Towards Green Future", OMSK, December 02- 03, 2021.

R&D Objectives

Belleli Energy CPE, which has always been active in the quest to improve production cycles to meet the changing needs of stakeholders, is adapting its long-term strategies to incorporate environmental and social aspects into its product offering and decision-making process. Organisational capabilities and sustainability performance suggest possible directions for future research. In the short term, the company will continue to take the necessary actions to participate in national and international research and development projects, taking active roles and improving knowledge.

In terms of research topics, in line with global strategies, Belleli Energy CPE focuses on the innovation and market reform needed to drive the **energy and ecological transition**. In this context, special emphasis is given to the following topics: **renewable energy, hydrogen, circular economy, low-carbon solutions, as well as energy efficiency and CO₂ utilisation solutions**.

In addition, La Belleli Energy CPE engages in all technical steps for the scale-up of emerging technologies for hydrogen production. Like all Tosto Group companies, La Belleli Energy CPE is also very active in the renewable energy sector and, in particular, in the storage of **green hydrogen gas**. In this sphere, the company promotes research activities in collaboration with industrial partners, research bodies and universities, conducting detailed studies mainly for the qualification of materials and the identification of possible alternatives for the manufacture of high-pressure, large-volume storage tanks in the long term.

Committed to contributing to the production of low-carbon electricity, Belleli Energy CPE has embarked on a programme of investment in knowledge, plant modernisation and the relaunch of its participation in the construction of new-generation nuclear power plants, both in the short term, with innovative fission plants, and in the medium term, with **nuclear fusion and Generation IV plants**. The company is already active in the field of nuclear fusion research with the construction of two Vacuum Vessel segments for the ITER (International Thermonuclear Experimental Reactor) project. Qualification activities are underway for the supply of critical components for other TOKAMAK machines that will be launched in the next few years. Finally, Belleli Energy CPE has again obtained Stamp N certification and started a new qualification process with the main players in the sector for the production of components for new-generation nuclear power plants and Small Modular Reactors.

Access to incentives and subsidized financing for R&D

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Belleli Energy CPE avails itself of the tax credit for companies investing in research and development activities and successfully applies for funding for its activities, confirming the quality of its research. These research projects not only contribute to the company’s technological progress, but are also valuable in establishing strong relationships with highly specialised partners and suppliers. These collaborators are able to identify and develop cutting-edge technologies in the fields of greatest interest to the company, leading to new opportunities for growth and innovation.

During 2022, Belleli Energy CPE was particularly involved in a research project financed by the Ministry of Economic Development:



Workshop Overseas Learn Fabrication

Fondo per la Crescita Sostenibile -Sportello “Fabbrica intelligente” F/190164/01/X44

Role Belleli Energy CPE S.p.A.: Lead Partner.

The research project aims at the development of a revolutionary evolutionary and adaptive paradigm of sustainable production and mobility of the large appliances and equipment that characterise the heavy boiler industry. A prototype of an itinerant, modular and intelligent ‘overseas workshop’ - according to Industry 4.0 logic - with a high economic and environmental impact on logistics is planned.

The Project is scheduled for completion in 2023.



The digitalization of business

In 2022, Belleli Energy CPE accelerated its digital transition with a series of significant innovations. One of the pillars of this effort has been the constant improvement of Quote, a quotation software that automates the entire offer generation cycle. This tool handles everything from the initial customer request to the creation and sending of the final documents, including the estimation of material and labour costs.

A challenging aspect of Quote's development was the modernisation of the source code, with a switch to a more advanced programming language. Currently, about 70 per cent of the code has been updated, bringing benefits in terms of performance and elimination of atavistic bugs. The adoption of Quote has also enabled the dematerialisation of various processes, including the archive of customer communications. The aim is to expand this practice to most corporate archives.

On the sustainability front, a web app was developed to monitor energy consumption. This application allows any anomalies in consumption to be identified in real time, enabling timely interventions and improvement plans.

An app was also created for leave and holiday management, both integrated into the company's existing systems, thus streamlining HR operations.

Also under development is a project to digitise the management of contractors. This platform will unify all the necessary documentation, smoothing the authorisation and integration process with the purchasing, administration and security departments.

These innovations not only make the company more efficient, but also more sustainable and responsive to the needs of customers and employees.



GOVERNANCE AND COMPLIANCE

Belleli Energy CPE's governance system is organised in compliance with the regulations in force and relevant to the sector in which it operates. Furthermore, the system takes into account the principles and guidelines defined in the Group's Code of Ethics, establishing a solid framework of values and ethical principles that guide the company's activities.

The Company is also committed to the ten global ethical principles promoted by the UN Global Compact. These principles cover crucial aspects such as human rights, environmental protection, workers' rights and the fight against corruption. By adhering to the Global Compact, Belleli Energy CPE demonstrates its commitment to sustainable development and corporate social responsibility, helping to promote an ethical and sustainable business environment.

Governance Structure



2022

| | |
|------------------------------|-------------|
| Number of councillors | 4 |
| Women | 0% |
| Average age | 50 |
| Meetings held | 4 |
| Participation rate* | 100% |

* Calculated as number of attendances made/number of convocations

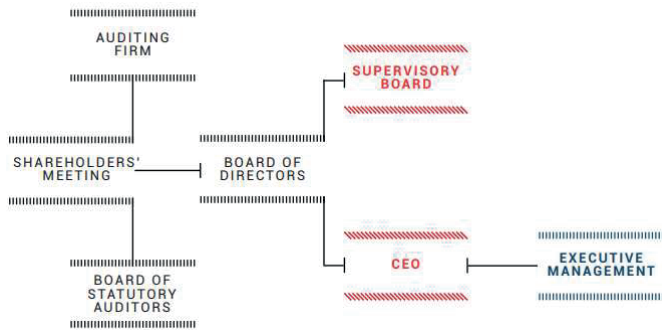
The governance model of Belleli Energy CPE S.r.l. follows a traditional structure, characterised by the presence of a Board of Directors (BoD) that holds all powers for the ordinary and extraordinary management of the Company, with the exception of those reserved by law or by the articles of association to the Shareholders' Meeting. The BoD is composed of members with specific skills and responsibilities.

The Board of Directors meets regularly, at least once every three months, to make strategic decisions and discuss important business issues. In addition, Board members complete an annual conflict of interest questionnaire to ensure transparency and ethical business management.

In addition, the Company has established a Board of Statutory Auditors that monitors and ensures compliance with laws, regulations and the Articles of Association, and compliance with the principles of proper administration. The Board of Statutory Auditors is responsible for analysing the adequacy of the organisational and accounting structures and the overall functioning of the internal control system.

This traditional governance model ensures adequate separation of responsibilities and effective supervision of business activities, helping to promote fairness and efficiency in the administration of Belleli Energy CPE S.r.l.

Corporate governance model



On 29.07.2022, the Shareholders' Meeting renewed the composition of the Administrative Body, confirming Mr. **Luca Tosto** (Chairman of the Board of Directors), Mr. **Paolo Fedeli**, Mr. **Luca Pierfelice** and Mr. **Giacomo Fossataro** as Directors.

The term of office of each confirmed director will run until the approval of the 2024 annual accounts, demonstrating a long-term commitment by these key figures to the leadership and governance of the company.



The legal representation of Belleli Energy CPE S.r.l. is entrusted to the Chairman of the Board of Directors, Mr. Luca Tosto, and to the Managing Director, Mr. Paolo Fedeli. The Board of Directors is responsible for the orientation, management, general direction and coordination of the company's strategic activities.

The tasks of the Board of Directors include approving investments in tangible and intangible assets, defining commercial policies and the final approval of projects in which the company intends to participate. The Board of Directors thus plays a key role in making strategic decisions for the future of the company.

The Board of Statutory Auditors of Belleli Energy CPE S.r.l. was renewed on 29 July 2022, with the appointment of the following members: Mr. Sandro Marcucci as Chairman of the Board of Statutory Auditors, Mr. Massimo Centritto and Mr. Dario Di Matteo as Standing Auditors, and Mr. Renato Marsili and Mr. Giancarlo Todisco as Alternate Auditors.

The members of the Board of Statutory Auditors will remain in office for a period of three years and their term of office will expire on the date of approval of the annual financial statements as at 31 December 2024.

As for the Supervisory Board (Model 231 pursuant to Legislative Decree No. 231/2001), it is composed of Mr. Sandro Marcucci as Chairman of the SB, Mr. Stefano Florio as member of the SB external to the company and Mr. Paolo Marangoni as member of the SB internal to the company. Their appointments were resolved on 05/01/2021 and are valid until 31/12/2022.

The auditing company of Belleli Energy CPE S.r.l. is **PricewaterhouseCoopers S.p.A.**

Sustainability Governance Structure

2-14

The creation of a single sustainability governance, shared by all Group companies, is a fundamental starting point for promoting a corporate culture oriented towards sustainability-related risks and opportunities. When the Board of Directors (BoD) and top management recognise the importance of positively directing corporate strategies towards the creation of long-term value, this attitude is reflected cascading throughout the entire organisation.

In any case, a key role will increasingly be played by stakeholders who can influence, even strongly, business initiatives and the spread of sustainable culture. Involving stakeholders in decision-making processes is the real challenge for a company that wants to be considered truly 'sustainable'.

“ MEGA TREND

The short-term risk landscape is dominated by energy, food, debt and disasters.

Those who are already among the most vulnerable are suffering and, in the face of multiple crises, those who qualify as vulnerable are increasing rapidly, both in rich and poor countries. Climate and human development must be central to the concerns of global leaders, even as they combat the current crises.

Cooperation is the only way forward

Saadia Zahidi, Managing Director del WEF



The World Economic Forum's 'Global Risks Report 2023', among the most authoritative socio-economic analyses of the state of the world economy, highlights various scenarios and threats that we will have to face in the coming years.

The report uses **three time horizons** to understand global risks: **current risks** that are already happening, **long-term risks** that are expected to happen in the next 10 years, and **risks that may evolve into a 'polycrisis' related to natural resource shortages** by 2030.

The global risks signalled by the Global Risks Report 2023 range from the cost of living, which will dominate the next two years, to the failure of climate action, which will be a prevailing concern in the next decade: this will lead us to experience new socio-environmental crises, accentuated by the geopolitical and economic instabilities already on the horizon.

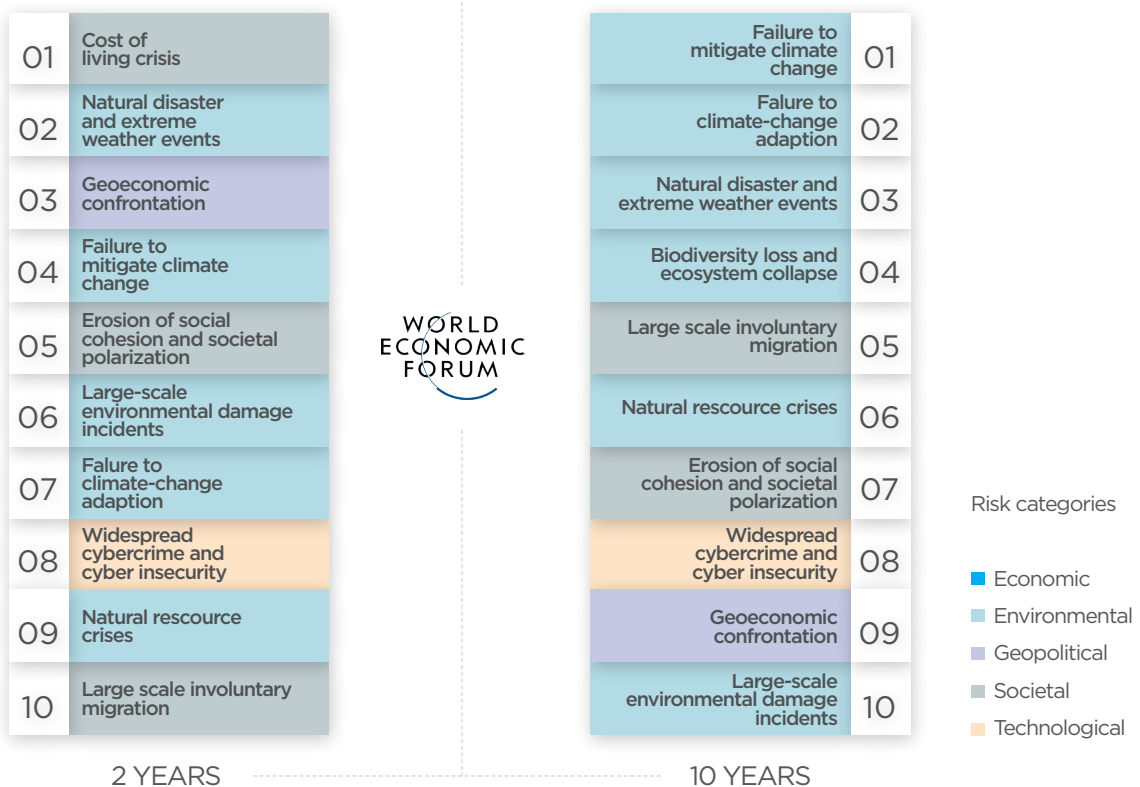
In the list of risks, those threatening the environment are prevalent: six out of ten are among the top ten risks in the next 10 years. The **loss of biodiversity** and the **collapse of ecosystems** are considered among the **most rapidly deteriorating global risks over the next decade**.

As many as nine risks are present in both the short- and long-term rankings, including ‘**geo-economic tensions**’ and ‘erosion of social cohesion and polarisation of society’, along with two new entries in the top ranks: ‘**widespread cybersecurity and cybercrime**’ and ‘**large-scale involuntary migration**’.

Another serious risk is to **human health**: in the next decade more frequent and widespread outbreaks of infectious diseases in a context of chronic diseases risk pushing exhausted health systems to the brink of bankruptcy worldwide.

Thus, the report points out, governments will continue a dangerous balancing act, on the one hand, between protecting a broad swathe of their citizens from a protracted cost-of-living crisis, without incorporating inflation, and covering debt servicing costs, while at the same time revenues will be challenged by the financial recession and an increasingly urgent transition to new energy systems.

TOP 10 RISK



Taken together, these are pathologies that lead the financial and industrial worlds to feel unable to consolidate resilience perspectives that would shelter the economy from the outbreaks of the new 'polycentric', as well as multiple, crises that will emerge by 2030, but should be resolved by then..

However, observe the scholars surveyed by the WEF, there is still a window of opportunity to shape a more stable future.

There is still a window to create a safer future through increased preparedness, addressing the erosion of trust in multilateral processes, and harnessing the interconnectedness of global risks to broaden the impact of risk mitigation activities.

The '**2023 Trends Report**' compiled by the **SustainAbility Institute by ERM**, explores what long-term sustainable trends are and how they affect business. It takes a close look at ten key trends that are shaping the sustainable business agenda and the business action that is likely to evolve in relation to each of these trends in 2023 and beyond.

1. Integration of ESG factors

In 2022, issues such as fragile global supply chains and geopolitical instability challenged the integration of corporate ESG factors. Despite the difficulties created by these issues, stakeholders have continued to propose further regulations on ESG factors. ESG concepts are expected to be further integrated into the way companies conduct business in 2023.

2. Enhancing human capital

The workplace of 2023 is radically different from its pre-COVID-19 counterpart. Changes such as more flexible and remote work options and the increased search for a specific job have redefined the employee- employer relationship. In this context, expectations of human capital enhancement continue to rise.

3. Climate change response

Combating the climate crisis is a crucial challenge for generations. While society is working to accelerate its efforts to ensure a liveable future, the pace of corporate climate action is still not fast enough. Despite this situation and disruptive events such as the war in Ukraine, companies continue to look for better ways to tackle climate change.

4. Preservation of natural systems

Concern for nature and biodiversity has lagged behind the attention attracted by the climate crisis, but this is changing. The nature agenda is now in the spotlight after the 15th UN Conference on Biodiversity in December 2022 endorsed the Kunming-Montreal Global Biodiversity Framework and as the links between biodiversity and climate were recognised.

5. Building sustainable and resilient supply chains

Supply chain challenges have been the focus of recent years, especially since the emergence of COVID-19. Pandemic and other complications have increased consumer awareness of where and how goods originate. At the same time, companies are finding that a better understanding of complex supply chains is the key to solving the most complicated ESG problems.

6. Enabling sustainable consumption and production

The urgency of figuring out what to do with the world's waste is underlined by the phenomenon in which even low-waste regions are being overwhelmed by waste goods. Businesses and governments are making progress in developing circular strategies and models to transition from take-make-waste to take-make-reuse approaches, but these efforts need to accelerate.

7. Applying technology to sustainability

Technological advances support the rapid development of more sustainable economies and societies. As technological capability and accessibility grow, companies face important and complex questions about the ethical and sustainable application of the technologies at their disposal.

8. Respect for fundamental rights

Numerous events around the world have shaped the human rights landscape of 2022, from the Russian invasion of Ukraine and the massive protests against the Iranian government, to the overturning of *Roe v. Wade* in the US. Stakeholders will continue to demand that companies respect the fundamental rights of every person with whom they interact directly and indirectly.

9. Definition of policies, regulations and standards

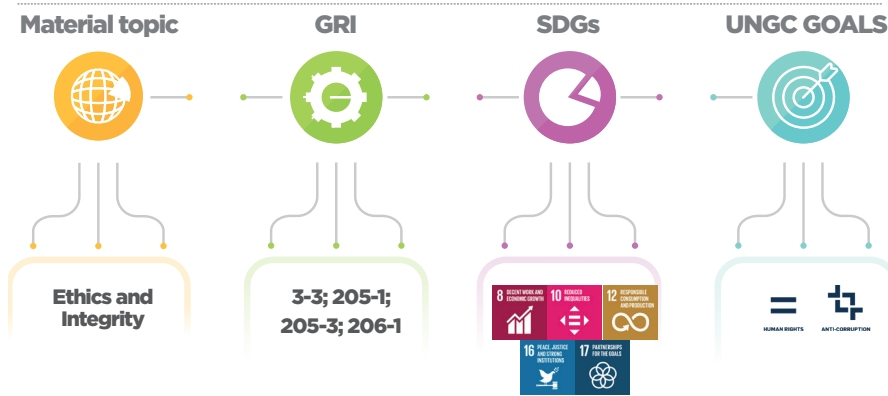
Recent global developments, including geopolitical instability, regulatory initiatives and civil society activism, are redefining how companies approach sustainability. With further changes and pressures certain in 2023, companies must constantly update their sustainability playbook.

10. Towards stakeholder capitalism

Opinions on stakeholder capitalism have become increasingly mixed. Much heralded in recent years, criticism of the concept has increased, particularly in the form of anti-ESG shareholder proposals. Even so, actions such as Patagonia's pledge to donate future profits to protect nature and combat climate change and BNP Paribas' creation of a data solution for investors to assess companies' alignment with the UN SDGs demonstrate that stakeholder capitalism is still a powerful force.

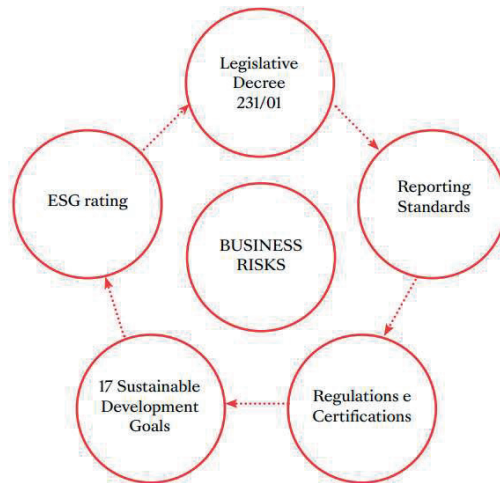
ESG risk mitigation tools

2-23 2-24 2-25 2-26 2-27



The process of integrating non-financial risks was initiated by a series of legal and regulatory provisions that encouraged the company to consider and manage enterprise risk aspects more broadly. In the past, Enterprise Risk Management (ERM) mainly focused on financial risks, such as those related to financial market fluctuations or changes in interest rates. However, in recent years, there has been a growing awareness of the importance of understanding and addressing non-financial risks, such as those related to environmental sustainability, social responsibility, reputation management, occupational health and safety and regulatory compliance.

This integrated approach to non-financial risk management is an important step towards the creation of long-term value for the company and society as a whole, as it contributes to greater transparency, accountability and resilience of the organisation in the face of emerging challenges.



Organisation and Management Model pursuant to Legislative Decree 231/01

2-23

An important piece of legislation in the context of ESG risk assessment is the regulation dictated by Legislative Decree 231/2001, which concerns the company's administrative liability regime for unlawful acts constituting offences and committed by company employees. Over the years, Legislation 231 has constantly evolved to include environmental offences, offences against the individual and further offences related to corruption, etc..

Belleli Energy CPE adopted the procedures and model 231 in 2018 and in 2022 put in place an updating process to adapt to the regulatory changes that had occurred regarding the introduction of new offences.

The current Model opens with the General Part, which provides an overview of the reference legislation, followed by an introductory part on the function of the Model and its operation within the Company; this is followed by the Disciplinary System and a description of the role, composition, operation and duties of the Supervisory Board.

The second part of the Model, labelled 'special', contains the formalisation of specific decision-making protocols per 'sensitive process' with respect to the individual crime families into which it is divided.

It should be noted that Belleli Energy CPE considers environmental protection and sustainable development a priority objective of its activity. For this reason the model provides for periodic environmental audits carried out by a person who reports to the Supervisory Board, as a guarantee of the seriousness with which Belleli Energy deals with environmental matters.

The Model pursuant to Legislative Decree 231/2001 is constantly monitored and is freely available on the website in the Download section:

https://www.belleli.it/wp-content/uploads/2018/04/Modello-231_Belleli.pdf

The Model ends with the Code of Ethics, as an integral part of it.

Code of Ethics

2-23

The Belleli Energy CPE **Code of Ethics** is a document that regulates the behaviour of people within the company and in relations with third parties. It promotes transparency, fairness, honesty and integrity in company activities. The Code is in line with the company's values and aims to ensure that all members of the workforce act with the highest level of integrity, respecting the law and the community in which it operates.

The Belleli Energy CPE integrity system comprises the following sections:

- General **ethical principles** that identify the company's commitment to the pursuit of its values in business and personal conduct;
- **Basic rules** that should guide the **daily behaviour** of the recipients necessary to put the General Principles into practice;
- **Implementation and control mechanisms** for the correct application of the Code of Ethics.

The Code of Ethics, an integral part of the Organisation, Management and Control Model, has been approved by the Administrative Body and applies to members of the corporate bodies, personnel and third parties.

The Supervisory Board is responsible for the control and implementation of the Code of Ethics. In the event of a substantial breach of the Code of Ethics, directors, auditors, employees and all those who come into contact with the company are required to inform the Supervisory Board. Appropriate sanctions are applied depending on the person involved.

The Code of Ethics also includes policies that pay attention to **health and safety** for employees. It has been shared with the Board of Directors and all company personnel, and is freely available on the Belleli Energy CPE website.

https://www.belleli.it/wp-content/uploads/2018/04/BE_CODICE-ETICO.pdf

Anticorruption



Belleli Energy CPE is firmly committed to high standards of integrity, honesty and fairness both internally and in all its external relations, and does not tolerate corruption of any kind.

The value reference on anti-corruption is the Code of Ethics and the tenth principle of the Global Compact, which condemns corruption 'in all its forms, including extortion and bribery' and clearly outlines permitted and prohibited conduct.

In order to prevent the offences of bribery among private individuals and incitement to bribery among private individuals, the Addressees of the Model are prohibited, in particular, from

- Behaviour not characterised by honesty and professional ethics;
- Money or other advantages given to representatives of other private companies to obtain benefits for the Company;
- Granting advantages of any kind to representatives of other private companies in order to obtain benefits for the Company;
- Services or benefits in favour of business partners and consultants without adequate justification in the context of the relationship;
- Fees or commissions to external consultants that are not justified or disproportionate with respect to the activity performed, also in consideration of market conditions, the type of assignment to be carried out and current local practices;
- Money or other benefits given to suppliers without adequate justification or to obtain undue advantages for the Company;
- Establishing relationships with third parties in conflict of interest;
- Comply with the principles and operating procedures when entering into contracts with third parties;
- Provide for not adequately reflected in normal market conditions;
- Make payments to numbered or numbered accounts or in cash (except for modest amounts and in compliance with the company's cash management procedure) and in any case to parties other than the contractual counterparty;
- Distributing or receiving gifts outside the rules laid down in the Code of Ethics and internal regulations;
- Receiving advantages that exceed normal business or courtesy practices in order to obtain undue favours in the company's business in exchange for money or benefits.

Antitrust

3-3 206-1

Gruppo Tosto recognises the importance of a competitive market and is committed to strict compliance with antitrust legislation in the countries in which it operates. The value of competition is recognised when it is inspired by the principles of fairness, fair competition and transparency towards other operators in the market. The company undertakes not to unduly damage the image of its competitors and their products.

It is important to emphasise that no legal action has been registered against Gruppo Tosto for anti-competitive behaviour. The company is determined to maintain ethical and correct conduct in the market, promoting healthy competition and contributing to the progress and growth of the industry.

Whistleblowing

2-23

In 2022, an entirely new section was introduced that sets out the rules on whistleblowing aimed at protecting employees who report wrongdoing and irregularities that come to their attention in the context of the employment relationship.

In order to ensure the protection of the confidentiality of the identity of the Whistleblower, Belleli Energy CPE S.r.l., in accordance with the reference regulations, considers that the management flow of the reports must involve the Supervisory Body pursuant to Legislative Decree 231/2001. The Whistleblower Protection System, introduced by Law 179/2017, grafting on Article 6 of Legislative Decree 231/2001, indirectly entrusts the Supervisory Body with the task of receiving and managing reports of possible offences and violations of the Model or the Code.

The Company has set up special channels for sending information flows to the Supervisory Board and for making reports. In particular, information flows must be addressed to the Supervisory Board by e-mail to the following address: **odv@belleli.it**. Reports may also be submitted in writing, also anonymously, to the address: Supervisory Body, Supervisory Board, Belleli Energy CPE S.r.l., Via Taliercio, 1 Mantova.

Legality rating

2-23

The Legality Rating is an innovative tool promoted by the Italian Competition and Market Authority (AGCM) in cooperation with the Ministries of the Interior and Justice, aimed at promoting ethical and law-abiding behaviour within companies.

The rating assigns between one and three 'stars' to companies, depending on the degree of compliance with legal obligations. The AGCM may also add a '+' sign to indicate that the company complies with additional requirements beyond its legal obligations, thus obtaining a higher score. The attribution of the rating is based on the declarations of the companies, but these are then verified through cross-checks with public administration data.

The rating has a duration of two years from the moment of issue and is renewable on request. Obtaining the rating may entail advantages, such as the possibility of accessing public funding and facilitating access to bank credit. In addition, it contributes to improving the transparency and reputation of the company on the market by demonstrating its commitment to ethical and legal behaviour.



Belleli Energy CPE’s Legality Rating with the identifier RT10592 is ** (two stars). The rating was renewed on 21/09/2021.

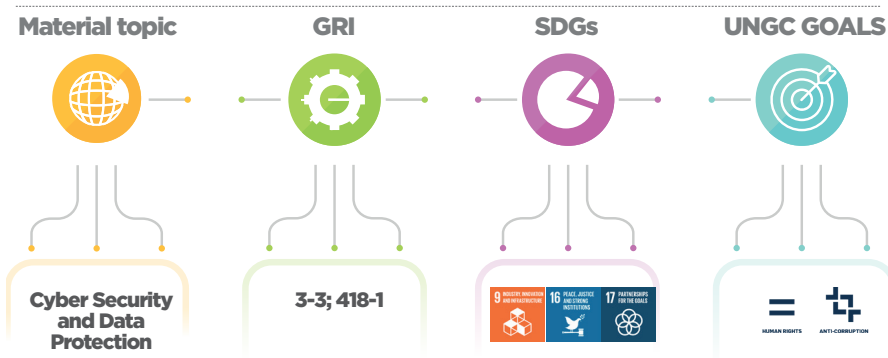
White list

2-23

Belleli Energy CPE is registered in the list, set up by the Prefecture of Mantua, of suppliers and service providers not subject to the risk of mafia pollution, pursuant to Law No. 190/2012 and D.P.C.M. of 18 April 2013, for section 4 “supply of processed iron”.

General Data Protection Regulation

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With reference to the subject of personal data protection, during the year 2022, the processing activities carried out by the companies of Gruppo Tosto S.r.l. were monitored in order to verify the correct compliance with the requirements of Regulation (EU) 2016/679. In the normal course of business of Gruppo Tosto S.r.l., individual companies process personal data relating to employees, suppliers and customers. Therefore, in the connection between the various offices, the data in question are submitted to the DPO for analysis, in order to verify their nature (special data or data from municipalities) and to prepare any appointments to internal and external data processors. In particular, with reference to the provisions of Article 25, at a preliminary stage, the needs in terms of data protection are identified so that the various figures (envisaged by the GDPR) and their relative responsibilities can be clearly and unambiguously identified, and the appropriate security measures commensurate with the risk can be envisaged. Therefore, a preventive analysis is carried out and, on the basis of this, the most appropriate measures are adopted to ensure that personal data are managed in a manner that complies with the European regulation. Preventive analysis that must necessarily start from the identification of the process to be implemented.

The aforementioned preliminary analysis consists of two aspects, the process analysis and the identification of the actors involved in the process and their role in terms of the GDPR.

a) Process analysis

The process is analysed and described, with the granularity appropriate to the type of act, in terms of objective, category of subjects involved, activities performed by each subject, type of data processed.

b) Identification of figures

This is done in two stages according to the definition of the objectives to be achieved.

Phase 1

On the basis of the description of the process, the data subjects and the entities involved are analysed, in order to determine in what capacity the activities that make up the process are carried out by the various entities; the types of data processed are identified, the data subjects involved in the process as categories of entities and their assumed numbers. This is in order to determine whether or not the processing involves a large scale of persons.

Phase 2

Once the different figures and their respective roles and responsibilities have been identified, the processing operations and types of data processed are identified.

In this way, an organisational model was created to achieve full compliance with all applicable data protection regulations, thereby mitigating the risk of being subject to sanctions.

As in previous years, no complaints about privacy violations, undue use or unauthorised processing of personal data entrusted to Group companies were received, either through the dedicated mailbox (gdpr@belleli.it) or through other reporting or detection channels.

Cyber security

2-23

The cyber security risk represents the potential for cyber-attacks that can compromise corporate information systems, both management and industrial, leading to the disruption of services provided and the violation of sensitive information. This threat plays a crucial role in the development of a company's digital transformation strategy. Therefore, Belleli Energy CPE considers it crucial to protect the company's information systems and data to ensure business continuity and preserve the company's reputation. With regard to cyber risk, the company has taken the following mitigation measures to protect its infrastructure and data:

1. Adoption of PaloAlto PA440 Next Generation Firewalls (NGFW). These firewalls offer advanced functionality, going beyond traditional firewalls. They are able to recognise applications, detect anomalous behaviour and monitor PeerToPeer usage. Thanks to the WildFire Malware Analysis function, they can also detect Zero-Day attacks using methods such as Statistical Analysis, Machine Learning and Bare Metal Analysis. This combination of techniques makes it possible to detect threats with very high effectiveness and an almost insignificant number of false positives
2. Adoption of Endpoint Protection Paloalto Cortex XDR. Cortex XDR a detection, investigation and response solution that natively integrates data from the network, endpoints and cloud. Cortex XDR discovers threats using behavioural analysis, accelerates investigation processes through automation and stops attacks before they cause damage through its deep integration with existing enforcement points.

3. Implementation of Immutable Backups. This is an important additional measure to protect corporate data from threats such as accidental and intentional data modification, encryption, damage or deletion. This solution is a strong defence against malware, ransomware, viruses and other types of cyber-attacks that can cause serious damage and loss of sensitive data.

4. Adoption of a Mail Gateway Protection capable of filtering viruses, spam and phishing.

After the year 2021, during which a programme was implemented to strengthen the corporate culture regarding the right behaviours to adopt in order to cope with cyber risks, which included training, simulations, awareness-raising and communication actions aimed at the entire corporate population, the company continued in 2022 to keep staff informed about new threats and best practices to protect corporate data. Cyber security is a constantly evolving process, so constant attention and monitoring of threats and vulnerabilities are essential to ensure effective protection against potential cyber-attacks.

Export Certifications

2-23

AEO

The AEO (Authorised Economic Operator) is a European programme for economic operators carrying out operations subject to customs legislation in the European Union. Obtaining AEO status is an internationally accepted recognition of quality that highlights the company's role in the international supply chain and facilitates legitimate trade by ensuring a balance between effective controls and rapid trade flows.

The principles of transparency, fairness and accountability are fundamental to the AEO concept, following the spirit of partnership between customs and business introduced by the World Customs Organisation (WCO).

The AEO certification was issued to Belleli Energy CPE in FULL version on 28/10/2018 with the number IT AEOF 18 1502. This certification is monitored annually by the Regional Directorate for Lombardy through the Mantua Customs Agency.

Participation in the AEO programme confirms the company's commitment to EU customs standards and its contribution to facilitating and securing international trade.

REX

The Registered Exporter System (REX) is a mechanism used to certify the origin of goods under the Generalised System of Preferences (GSP) and certain preferential trade agreements. With REX certification, companies can self-certify the origin of the goods they export, thus simplifying the customs procedure to benefit from preferential tariffs and trade concessions.

Belleli Energy CPE obtained REX certification under number ITREXIT03339200960 on 30/10/2018.

REX certification is an important recognition for the company as it highlights its compliance with customs regulations and its ability to reliably prove the origin of goods. This status as a registered exporter simplifies export operations and helps facilitate international trade while ensuring compliance with trade and customs regulations.

Authorised Exporter

The status of Authorised Economic Operator (AEO) is a facilitation provided by the European Union (EU) Community customs legislation that offers import and export facilities with certain third countries, based on agreements between the EU and these countries. Obtaining AEO status is a demonstration of the high quality and reliability of economic operators in operations subject to customs legislation.

Belleli Energy CPE obtained the status of Authorised Exporter on 25/01/2012, with the number IT-003-MN- 12, initially addressed to South Korea for the customs items of reactors and exchangers. Subsequently, on 15/10/2018, the status was extended to cover all existing products in the company’s production cycle. This extension confirms the company’s commitment to maintaining quality and reliability standards in all its export activities.

Furthermore, on 19/10/2021, the status of Authorised Exporter was further extended to include Egypt, Mexico and Singapore.

Product safety



Due to the nature of its business, Belleli Energy CPE must carry out an assessment to prevent risks associated with pressure equipment, in accordance with the PED Directive 2014/68/EU. This assessment is taken into account both during the design phase and later during the testing of the equipment. In addition, the company complies with Legislative Decree No. 81/2008 with regard to risk prevention and analysis.

Risk Prevention Analysis

The analysis consists of a preliminary classification of possible damaging events into three risk categories:

LOW

Events that may compromise the integrity of the main parts..


MEDIUM

Events that may compromise the integrity of the equipment under consideration and the equipment connected to it.

HIGH

Events that may compromise the integrity of the equipment under test and the surrounding areas.

Concurrently, the frequency and possibility of occurrence of each event is examined. The risks associated with these events are then a function of these two variables (possibility and frequency).

| | | | | |
|---|--|------------|---------------|-------------|
|  | Frequency and/or possibility of occurrence | | | |
| | (f) | | | |
| Dangerousness of the event (p) | | LOW | MEDIUM | HIGH |
| | Low | L | M-L | M-H |
| | Medium | M-L | M | H |
| | High | H | H | H |

The matrix shows the risk factor of the event, which is calculated as the direct product of the probability with the hazard associated with it. Based on this calculation, five risk classes are defined:

- Low (L)
- Medium-Low (M-L)
- Medium (M)
- Medium-High (MH)
- High (H)

High-risk events are classified as high-risk, regardless of the frequency of occurrence.

Risk analysis on pressure equipment

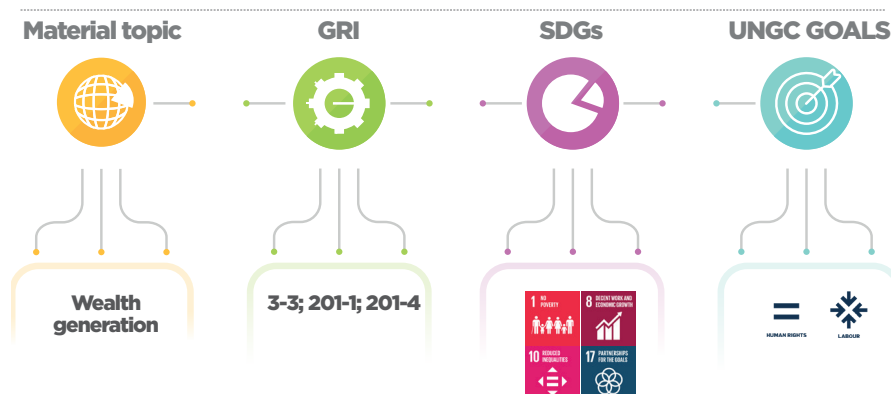
Sulla base del “know-how” aziendale, maturato dall’esperienza nella costruzione di attrezzature a pressione, e in base alla lista delle specifiche dell’acquirente, è stata redatta la lista dei fattori di pericolosità con le frequenze e il relativo livello di rischio.

- 1) Examination of geometric characteristics (f = B; p = B).
- 2) Examination of congruence between the design data and the chemical-physical properties of the materials contained and the climatic-environmental characteristics of the final destination. (f = M; p = M).
- 3) Risks due to the fragility of the material of the pressure part. (f=M; p=M).
- 4) Resulting effects on the equipment given by the fluid that will be contained. (f = M; p = M).
- 5) Examination of the effects of local loads on operating equipment. (f = M; p = M).

- 6) Assessment of natural loads (wind, earthquake, snow) (f = B; p = M).
- 7) Examination of accidental overloads. (f = B; p = B).
- 8) Risks due to overfilling and/or an overpressure condition of the equipment. (f = B; p = B).
- 9) Risks due to leakage of the fluid contained in the equipment. (f = B; p = A).
- 10) Examination of the overall stress on the device under hydraulic test conditions. (f = M; p = M).
- 11) Assessment of any effects on equipment related to the reclamation phase. (f = B; p = B).
- 12) Evaluation of the effects of stray electric currents. (f = N.A.; p = N.A.).
- 13) Study of transport procedures. (f = M; p = B).
- 14) Study of field assembly procedures. (f = M; p = B).
- 15) Evaluation of the effects related to the characteristics of the final destination. (f = B; p = B).
- 16) Effects of cyclic loading. (f = B p = B).
- 17) Description of parameters to be assessed during periodic tests and frequency of cyclic inspections. (f = A; p = M).
- 18) Studies on the scrapping procedure. (f = B p = B).
- 19) Change in service condition above permissible pressure/temperature. (f = B; p = M).
- 20) Improper installation of equipment (f = B p = B).
- 21) Condition of low fluid quantity in the equipment (f = B; p = M).

Results and performance

2-6 3-3 201-1



The integration of economic choices with social and environmental ones is a fundamental commitment to long-term value creation.

Creating economic value is a crucial element in ensuring the continuity and prosperity of the Group over time, but this is done with a deep awareness of the social and environmental impact of its actions. Also through prudent management of resources, the company actively contributes to the well-being of the communities in which it is embedded.

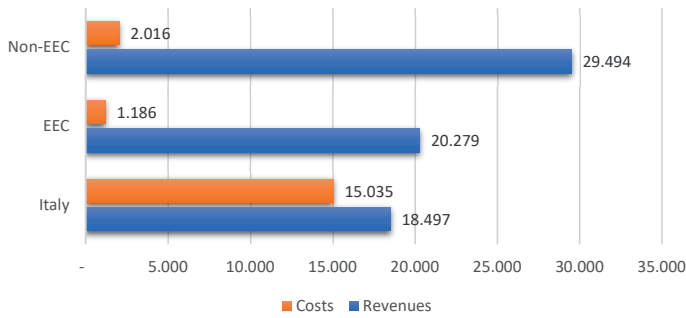
Belleli Energy CPE adopts a strategy focused on sustainability and innovation, with the aim of generating shared value that involves not only shareholders and employees, but also customers, suppliers and local communities.

Belleli Energy CPE carefully monitors the value production process and discloses it transparently, punctually and comprehensively in the Management Report of the 2022 Financial Statements, to which reference is made for any further details.

The 2022 figures reflect continued growth and improvement in the company's performance, with increased revenues, higher profitability and more efficient debt management. These positive results indicate that the sustainability strategy and actions taken by Belleli Energy CPE S.r.l. are leading to a solid financial position and increased business resilience. Continuing on this sustainable growth trajectory will be essential to meet future challenges and maintain a positive impact in the industry and around the world.

| | Euro | 2020 | 2021 | 2022 | 2022 vs 2021 |
|-------------------------|------|----------------|----------------|----------------|--------------|
| Revenues | | 102.649.133,37 | 31.778.391,00 | 68.269.520,68 | +114,8% |
| Value of production | | 71.094.776,43 | 62.322.384,00 | 55.567.599,65 | -10,8% |
| Operating Costs | | 85.978.350,00 | 11.612.940,00 | 47.256.756,00 | +306,9% |
| EBITDA | | 4.626.932,57 | 4.426.863,42 | 5.093.477,19 | +15,1% |
| Net result | | 495.522,06 | 538.679,00 | 556.948,98 | +3,4% |
| Gross Operating Margin | | 4.626.933,00 | 4.426.863,00 | 5.093.477,00 | +15,1% |
| Net assets | | 53.790.330,09 | 53.001.729,00 | 52.710.197,64 | -0,6% |
| Net debt | | 5.482.854,16 | 8.767.254,24 | 15.717.413,19 | +79,3% |
| Total assets | | 132.938.267,59 | 136.826.605,00 | 114.218.246,45 | -16,5% |
| Added value produced | | 16.528.217,27 | 17.107.474,26 | 18.501.403,29 | +8,1% |
| Distributed added value | | 16.032.694,87 | 17.953.795,06 | 17.944.453,88 | -0,1% |

Supply Costs and Revenues by Geographical Area - 2022 (k€)



Overall, the company is in a favourable financial position, with positive differences between revenues and costs in all three regions considered. This demonstrates efficient management of operations and an ability to generate significant revenues in both the Italian domestic market and internationally.

Public subsidies and tax benefits

3-3 201-4

During the year 2022, Belleli Energy CPE had the opportunity to receive significant contributions from the public administration, totalling EUR 368,438.29. These contributions have been an important support for the company’s research and development activities, allowing it to invest in innovative projects and to advance in technology.

Specifically, the company benefited from research and development grants amounting to EUR 318,245.03. This funding was obtained through a project financed by the Regional Operational Programme European Regional Development Fund Abruzzo 2014-2020. In addition, the company received a grant for a project under Axis I, Action 1.1.3 of the National Operational Programme Enterprise and Competitiveness 2014- 2020.

In addition to funding for research and development, Belleli Energy CPE was also entitled to a reimbursement for export duties amounting to EUR 50,193.26. This incentive helped facilitate the company’s export activities and promote international trade.

These contributions demonstrate the company’s commitment and dedication to pursuing innovation and sustainable development, benefiting from the opportunities offered by the Public Administration to support the growth and progress of the entire industry. Belleli Energy CPE will continue to enhance these initiatives, focusing on research and innovation to remain at the forefront of its industry and contribute positively to the economy and society.

The following table shows the development of contributions received over the last three years:

| CONTRIBUTIONS RECEIVED | 2020 | 2021 | 2022 |
|--|---------------------|---------------------|---------------------|
| Contributions for R&D Activities | 158.160,00 € | 79.080,00 € | 318.245,03 € |
| Export Contributions | 2.661,00 € | 280.921,00 € | 50.193,26 € |
| Invitalia Contributions - Impresa Sicura | 59.445,89 € | - | - |
| TOT. | 220.266,89 € | 360.001,00 € | 368.438,29 € |

In 2022, Belleli Energy CPE obtained several tax breaks totalling EUR 718,514.62, including tax credits for research and development (R&D) activities, energy credits and credits for ordinary goods. Below are the main ones:

- Tax credit for investments in research, development, technological innovation, design and aesthetic conception: The company received a tax credit of €103,893.83. This facilitation is provided by Art. 1, paragraphs 198 - 209 of Law no. 160 of 27 December 2019, as amended.
- Super depreciation quota: the company benefited from a super depreciation quota of €7,662.37. Super depreciation is a tax measure that allows companies to deduct from taxable profit an additional percentage of the costs incurred for the purchase of new capital goods.
- Energy Bonuses: Tax credits provided for under Decree-Law No. 21/2022 Articles 3 and 5 on expenses incurred for the energy component purchased and actually used in the course of 2022 and Tax credits under Decree-Law No. 115/2022 Article 6 on expenses incurred for the purchase of natural gas for energy uses other than thermoelectric uses in the course of 2022, for a total of €597,467.98.
- Ordinary capital goods tax credit: this is an allowance for investments in new tangible and intangible assets that are instrumental to the business activity and destined for production facilities located in the territory of the State for a total of €7,865.44.

| TAX BENEFITS | 2020 | 2021 | 2022 |
|----------------|--------------------|---------------------|---------------------|
| Tax exemptions | 42.483,46 € | 22.212,53 € | 7.662,37 € |
| Tax Credits | 101.073,97 € | 492.445,86 € | 710.852,25 € |
| TOT. | 143.557,43€ | 514.658,39 € | 718.514,62 € |

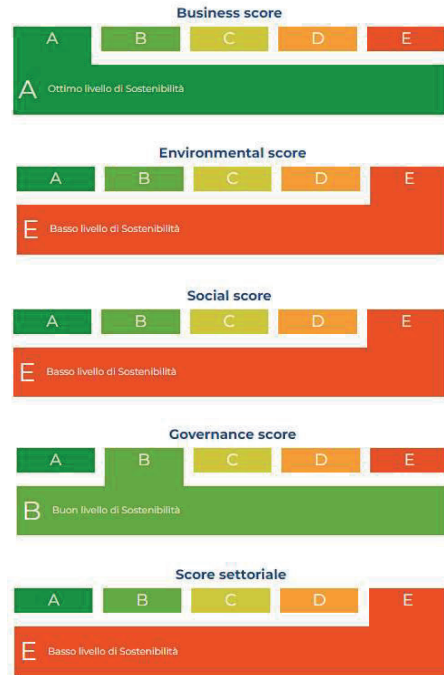
ESG Ratings

The growing relevance of sustainability issues, for both investors and creditors, makes it necessary to have tools that can measure the performance of companies on 'extra-financial' factors. In this regard, ESG questionnaires were created to summarise and compare the degree of sustainability of a company in its three dimensions - environmental, social and governance. The aim is to expand the available information, improve assessments and, consequently, choices. Since there is as yet no standard metric for assessing a company on the basis of ESG criteria, several specialised providers develop and issue ESG ratings using proprietary assessment methods. However, measuring impacts within the corporate ecosystem and along the supply chain seems to be a cross-cutting concept in most questionnaires.

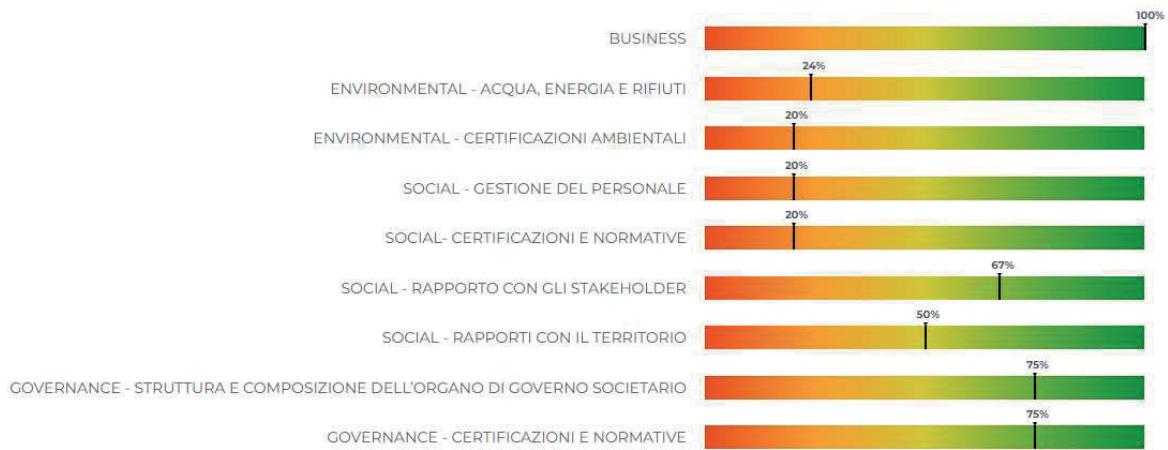
During 2022, the company submitted to the Synesgy questionnaire in order to provide relevant data for the financial community. Synesgy is the digital platform developed by CRIF that allows companies to check the degree of sustainability of their supply chain.

The ESG score represents an assessment of a company's level of adequacy with regard to ESG (Environmental, Social and Governance) factors, also taking into account the sector in which it operates and the geographical area to which it belongs. The assessment is carried out annually and comprises 90 questions divided into 13 chapters.

Specifically, Belleli received the following scoring as follows:



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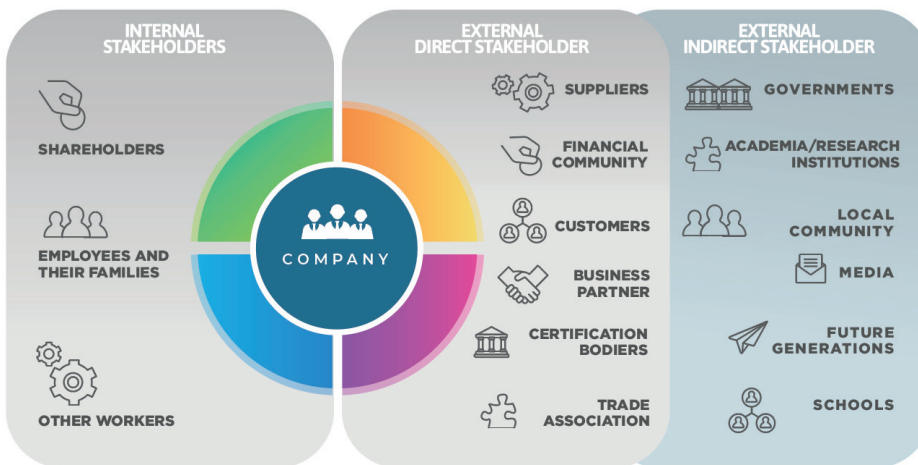
The Synesgy questionnaire was chosen as a tool to map the Belleli Energy CPE value chain (see 'Evaluation of suppliers according to ESG criteria'). Starting in 2022, all of the company's Italian and foreign suppliers were subjected to this ESG survey. This made it possible to start tracking not only Scope 3 emissions, but also to obtain a clear view of the status of sustainable development. This step is crucial for implementing joint improvement measures in the future and promoting a more sustainable and responsible approach in supply chain management.



**SUSTAINABILITY
AND
STAKEHOLDERS**

Stakeholders

The new GRI Standards define stakeholders as **entities or individuals who have an interest, which may be positively or negatively affected, by the organisation's activities**. The revision of these standards has also involved the stakeholder engagement process, requiring that stakeholders are actively involved throughout the entire impact analysis and management process, not just in the materiality assessment phase. This provides an alternative or complementary view to that of the organisation. Furthermore, engagement has **privileged the stakeholder categories involved in the most relevant impacts** of the organisation's activities or business relationships.



Stakeholder engagement

2-29

GRI reporting principles call for a materiality analysis also based on a stakeholder engagement process as a strategic and necessary tool to detect and understand the needs and concerns of its stakeholders regarding sustainability. All methods of stakeholder engagement - from R&D collaborations to face-to-face meetings, from participation in international events to territorial development initiatives - enhance relations with the social, economic and industrial context and generate new business opportunities. With each stakeholder, the company has established a different way of dialogue, depending on the purpose of the involvement:

External Stakeholder Engagement Activities:

| Category | Stakeholders | Modes of Engagement | Main Issues / concerns raised | Responses |
|-----------|--------------|---|--|--|
| Customers | Customers | Business meetings; Trade fairs; Customer satisfaction surveys; Qualification processes; Website; Social media | Compliance and quality of manufactured goods; privacy; on-time delivery; environmental policy; ethics; health and safety; sustainable procurement; | Punctuality of delivery; Conformity and quality of manufactured goods; Monitoring and control during implementation; Brand reputation; Investment in innovation; Certifications and qualifications |
| Community | Suppliers | Meetings; Website; Contract documents; Participation in the compilation of the Synesgy Assessment | Relationship management; price reduction; stability; innovation | Timely payments; negotiations; long-standing partnerships; ESG evaluation |

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| Category | Stakeholders | Modes of Engagement | Main Issues / concerns raised | Responses |
|-----------|---------------------------------|--|---|--|
| Community | Financial Community | Financial reports; Meetings; Website | Economic and financial performance | Financial and qualitative information; financial strength; ratings |
| Community | Governments | Official reporting; Monitoring and analysis of the legislative landscape | Sustainable development; R&D funds; compliance | Development of initiatives for local and national development; transparent collaboration |
| Community | Schools | Training Courses | Shared education and job creation | Training initiatives, support for technical and vocational schools and recruitment |
| Community | Business partner | Meetings; Partnerships; Thematic workshops; Website | Continuity and quality of relationships | Involvement of local SMEs in R&D projects |
| Community | Local Community | Social responsibility initiatives; Daily review of the local press | Sponsorship; generating positive impacts | Supporting local initiatives |
| Community | Media | Press releases; Website; Social media; Daily press review | Transparency and timeliness; brand reputation | Network constantly updated on company initiatives |
| Community | Academia/ research institutions | Meetings, R&D projects; Website; Social media; Partnerships and doctorates | Research support; talent acquisition; shared training projects | PhD funding; ongoing projects |
| Community | Future generations | | Sustainable development actions; dissemination of the culture of sustainability | Pursuit of the SDGs; membership of the UNGC |
| Community | Certification bodies | Maintenance/renewal visits | Corporate reputation; regulatory compliance | Transparency and sharing |
| Community | Trade Associations | Assemblies; Regular meetings; Thematic workshops; Charity events | Sustainability policies; innovation | Sharing of best practices; training; assistance |

Internal Stakeholder Engagement Activities:

| Category | Stakeholders | Modes of Engagement | Main Issues / concerns raised | Responses |
|------------|------------------------------|--|--|---|
| Governance | Shareholders | Corporate documents; Corporate meetings; Sustainability Steering Committee; Events | Economic and financial performance; compliance | ROI |
| Employees | Employees and their families | Direct reporting; Department meetings; Management interviews; Notice board communications; Results sharing meetings; Website; Social media; Internal | Security; Welfare; Stability; Training | Employee welfare; Employment growth; Crèche |
| Employees | Other workers | Direct relationship and through delivery companies; Website; Social media | Security | |

By cultivating relations with these groups, listening to their needs and giving them the correct feedback with concrete actions, Belleli Energy CPE is also able to contribute to the Sustainable Development Goals (SDGs).

Distribution of Value Added



Sustainable value creation for all stakeholders is closely linked to value chain management, on which the company is taking a proactive role in decarbonisation. In 2022, an evaluation of suppliers according to ESG parameters was initiated. The company pays special attention to the engagement and satisfaction of customers and all stakeholders relevant to the business, as well as the impact on the communities in which it operates.

Belleli Energy CPE's values and codes of ethics enshrine the company's commitment to work towards long-term responsible development, taking into account the links and interactions between the economic, social and environmental dimensions. This translates into a combination of value creation, societal progress, stakeholder care, improved living standards and environmental protection. Added value represents the wealth produced by Belleli Energy CPE which, in various forms, is distributed to the various stakeholders, thus expressing in monetary terms the **relations between the company and its main stakeholders**.

The calculation is carried out with reference to values taken from the statutory scheme of the Profit and Loss Account, thus becoming a useful tool for all stakeholders to understand the economic impacts that the company produces.

The Net Added Value generated by the company in 2022 amounts to EUR 18,501,403, thus accounting for 26% of the economic value generated.

The Net Added Value is distributed among the different stakeholders as follows:

Remuneration of human resources: The portion of value that goes to employees represents a direct investment in the company's workforce, including wages, salaries, and other forms of remuneration. This indicates a commitment to employee welfare and can contribute to greater satisfaction and productivity.

Remuneration of lenders: Paying interest expenses to lenders shows a commitment to honour financial obligations and maintains the trust of those who have invested in the company.

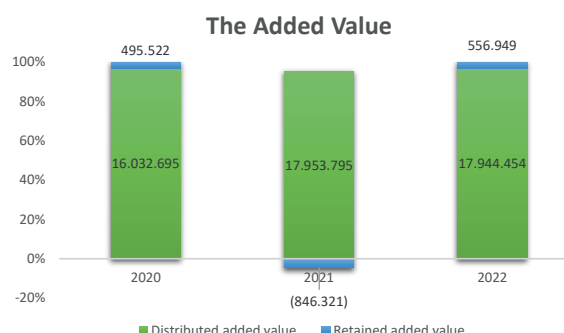
Shareholder remuneration: Distributing dividends to shareholders is a sign of the financial health of the company.

Public administration remuneration: Paying taxes is not only a legal but also an ethical responsibility, which demonstrates the company's willingness to contribute to public finances and the welfare of society as a whole.

External donations and donations to the community: This part of the value emphasises the company's social commitment, showing a responsibility towards the local community and a

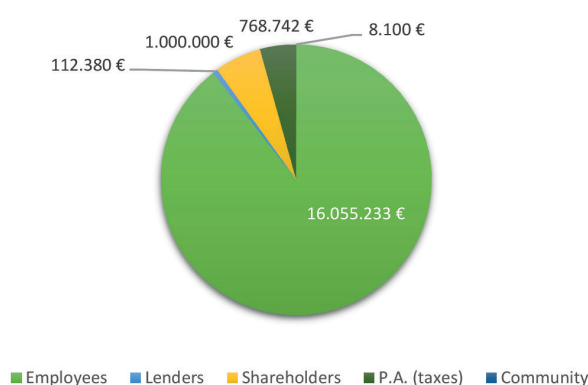
| | 2020 | 2021 | 2022 | 2022/2021 |
|--|------------------|------------------|------------------|----------------|
| Net revenue | 102.649.133,37 | 31.778.391,24 | 68.269.520,68 | 114,8% |
| Financial income | € | € | € | 5061,7% |
| | 682,00 € | 121,00 € | 6.245,61 € | |
| Miscellaneous income | 2.956.183,76 € | 963.940,02 € | 1.591.471,00 € | 65,1% |
| Economic value generated | 105.605.999,13 € | 32.742.452,26 € | 69.867.237,29 € | 113,4% |
| Operating Costs | -85.978.350,00 € | -11.612.940,00 € | -47.256.756,00 € | 306,9% |
| Amortisation, depreciation, write-downs and other provisions | -3.099.431,86 € | -4.022.038,00 € | -4.109.078,00 € | 2,2% |
| Net Added Value | 16.528.217,27 € | 17.107.474,26 € | 18.501.403,29 € | 8,1% |
| Employees | 15.839.636,60 € | 16.161.036,00 € | 16.055.232,52 € | -0,7% |
| Lenders | 112.911,00 € | 96.340,00 € | 112.379,64 € | 16,6% |
| Shareholders | | 1.350.000,00 € | 1.000.000,00 € | -25,9% |
| P.A. (taxes) | 54.647,27 € | 306.419,06 € | 768.741,72 € | 150,9% |
| Community | 25.500,00 € | 40.000,00 € | 8.100,00 € | -79,8% |
| Distributed added value | 16.032.694,87 € | 17.953.795,06 € | 17.944.453,88 € | -0,1% |
| Retained added value | 495.522,40 € | -846.320,80 € | 556.949,41 € | -165,8% |

The economic value generated increased significantly from EUR 32,742,452 in 2021 to EUR 69,867,237 in 2022, indicating a significant increase in the company's activities and revenues during this period. "Retained economic value" indicates the amount of generated value that the company retained. In 2022, the retained economic value was positive, while in 2021 it was negative, suggesting an improvement in the company's profitability.



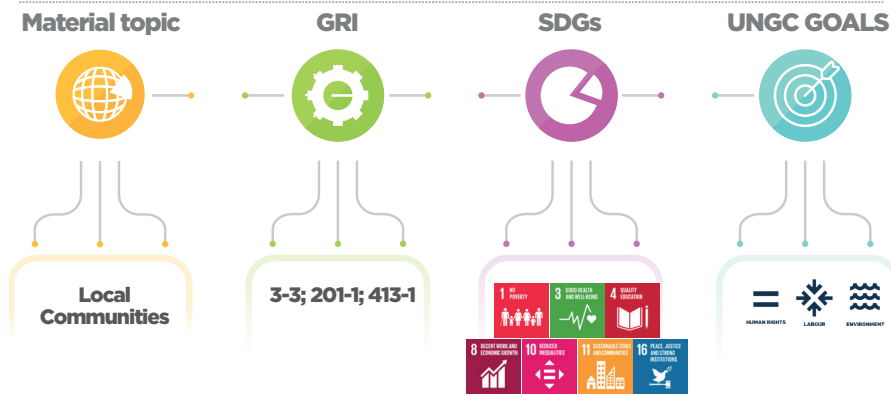
The distribution of value added among the main stakeholders shows that most of the value produced was allocated to employees, highlighting a commitment to human capital and employee welfare. Shareholders received slightly less in 2022 than in 2021. Interestingly, Belleli Energy CPE dedicated a significant part of the value added to the public administration, which is attributable to the payment of taxes, fees and social contributions, demonstrating a commitment to fiscal responsibility.

Composition of value added - 2022



Supporting Local Communities

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The strong link with the territory demonstrates Belleli Energy CPE’s attention and commitment to the local community and to initiatives that support the enhancement of the Lombardy region. Charitable donations and targeted sponsorship activities represent a concrete form of sharing the company’s success with people and associations close to the company’s sensibilities.

Donations to initiatives such as Soleterre - Emergenza Ucraina, Orchestra da Camera, Mantova Musica, and Telethon testify to the company’s willingness to support social, cultural and humanitarian projects. These initiatives can help improve people’s quality of life, promote culture and art, and support charitable causes. Furthermore, the donation of uniforms to the amateur sports club of Mantua, S. Egidio and San Pio X, is a significant and positive action that demonstrates Belleli Energy CPE’s commitment to supporting sports activities and the local community. This donation helps to promote sport and encourage the practice of physical activity, which are important elements in people’s wellbeing and health.

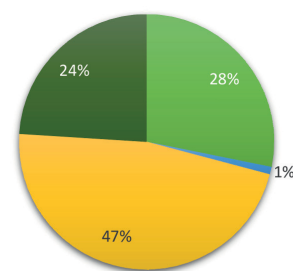
Sharing the company’s success through these initiatives also demonstrates a sustainable and responsible vision of corporate action. Investing in the region and its people is a way to create sustainable value for all stakeholders, helping to build a more prosperous and inclusive environment.

Total value of donations and sponsorships 2022

Composition by purpose 10.658 €

| | |
|----------------------------|---------|
| Entertainment and the Arts | 3,000 € |
| Search | 1000 € |
| Ukraine Emergency | 5,000 € |
| Sport | 2,558 € |

Civic engagement - 2022



■ Entertainment and Arts ■ Research ■ Ukraine Emergency ■ Sport

Active participation in associations

In support of business development activities, the company actively participates in various national and international associations, collaborating with other associates to promote a propulsive and systemic action in the relevant economic sector, as well as in research and development and in promoting the interests of the various stakeholders.

Trade Associations



Aipe is an association that was set up with the aim of tackling in an agile, effective and timely manner the main problems affecting boilermakers, not only at local level but also with a broader international vision. The acronym A.I.P.E. (Associazione Italiana Pressure Equipment) recalls the dual purpose of the association, combining both the Italian character of the association and terms in English (Pressure Equipment) that suggest a global vision.

Since 2021, AIPE has been part of H2IT, the Italian Association for Hydrogen and Fuel Cells, established to represent the Italian industry and research centres involved in the hydrogen chain. The association’s primary objective is to promote technological progress and the development of the Italian market for the production, storage and use of hydrogen.



Confimi Industria represents about 45 thousand companies with 600 thousand employees with an aggregate turnover of almost 85 billion euro and has the different product categories within its ranks. Confimi Industria is a signatory of national collective labour agreements, it is a recognised interlocutor with politics at government and parliamentary level; it is heard in the Budget Law and in the main hearings concerning the SME sector. In addition, Confimi Industria sits at tables and engages in concrete dialogue with ABI (Italian Banking Association), the Italian Revenue Agency and the Customs Agency and has signed protocols with organisations such as SACE, ICE and SIMEST, which are members of the government’s internationalisation steering committee.

Sustainable development



The **UN Global Compact** is the world’s largest strategic corporate citizenship initiative. Its fundamental purpose is to promote a sustainable global economy, based on values of respect for human and labour rights, environmental protection and the fight against corruption. This initiative aims to engage the private sector in a concrete and responsible commitment towards building a fairer, more ethical and sustainable future for all.

Nuclear Energy



The **AIN** represents the Italian nuclear system within the European Nuclear Society (ENS) and the European Atomic Forum (FORATOM), a body established on 12 July 1960 and endowed with consultative status with the UN-IAEA, the European Commission and the European Parliament. The AIN also appoints a representative of the national nuclear system to the American Nuclear Society (ANS). The AIN is expressly constituted as a non-commercial and non-profit-making cultural body. It is free, non-partisan and non-denominational and proposes, in the interest and for the civil progress of the country, to constitute a meeting point for discussion and union among all those - entities, institutions, companies and individuals - who are interested in the development of peaceful applications of nuclear energy and technology in harmony with international and national safety standards and with the EURATOM treaty. In particular, the Association aims to elaborate and represent, at national and international level, qualified positions and opinions concerning nuclear initiatives and problems, as well as to maintain relations with national, international and supranational bodies in the nuclear sector and with similar organisations in other countries.

Technological development



The Italian Association of Non-Destructive Diagnostic Testing (AIPnD) is a non-profit, scientific, cultural and professional organisation. Founded in 1979, it ranks among the world's leaders in its field and has members from around 1,000 organisations including companies, institutes, research centres, organisations, schools, universities, professional firms, manufacturers and sellers of PnD instruments and products, and PnD service companies. The objectives of the Association are

- To promote scientific and technical knowledge and technological development of non-destructive testing through information and education;
- Enhancing the professional activities of those working in the sector;

Promoting the exchange of ideas, experiences and knowledge among members, stimulating associative and cultural life.

Environmental Protection



CONAI, Consorzio Nazionale Imballaggi (National Packaging Consortium), is a private non-profit organisation that is the response of private companies to an issue of collective interest, i.e. the environment, following the guidelines and objectives set by the political system. The Consortium System has approximately 760,000 member companies that produce and use packaging. Founded under the 1997 Ronchi Decree, the Consortium marked the transition from a landfill-based management system to an integrated system promoting prevention, recovery and recycling of the six packaging materials: steel, aluminium, paper, wood, plastic, bioplastics and glass.



IMPACT MATERIALITY

Belleli Energy CPE S.r.l. adopted the new **GRI Universal Standards 2021** for its **materiality analysis 2022**, with the aim of identifying the issues that have the **most significant impact** on the economy, environment and people, including impacts on human rights. This analysis was carried out using the “inside-out” or “impact materiality” approach, which considers the organisation’s actual impacts.

In order to understand the context of the organisation, an in-depth analysis of the **activities performed was carried out**, including the **company’s mission and vision**, business **model**, type of activities performed and **geographical area** of interest. In addition, business relationships with customers, suppliers, licensees and other key players in the company’s operating environment were assessed.

The sustainability context analysis included an assessment of mega trends, industry trends, competitors and the regulatory environment in which the company operates. This type of analysis allows the company to understand sustainability challenges and opportunities and to adopt strategies aimed at improving its environmental, social and economic performance.

Finally, an overview was made of the stakeholders, i.e. the people or entities that have an interest in the company and can be affected by its activities. The stakeholder analysis helps the company to understand the expectations and needs of these stakeholders and to actively involve them in the decision-making process and in defining company strategies.

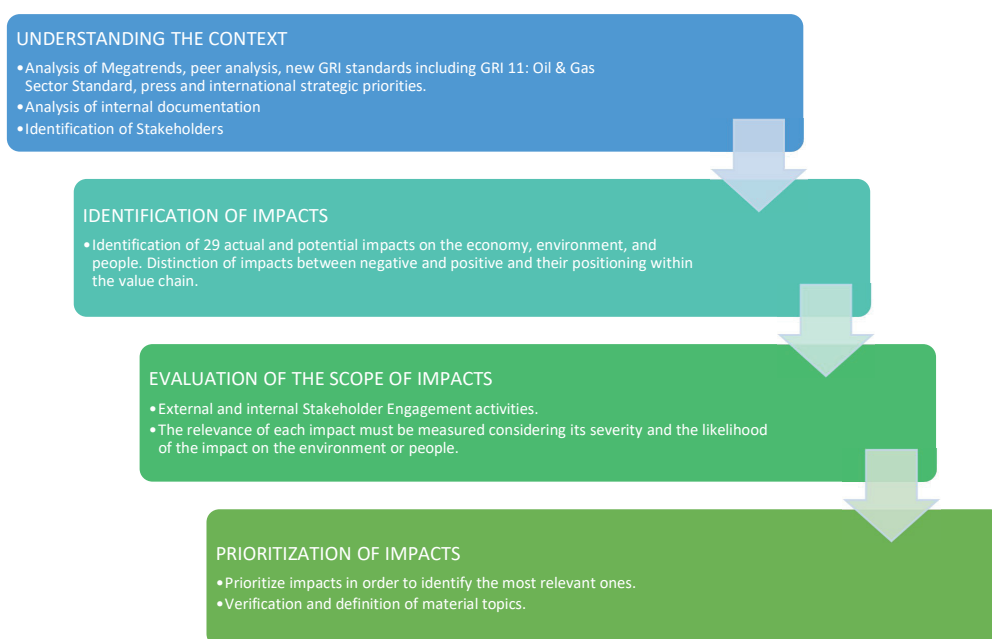
As part of the materiality analysis update, Belleli Energy CPE identified a total of **29 impacts** on the economy, environment and people, including human rights impacts. These impacts emerged through an in- depth analysis of the organisation’s operating context and through continuous dialogue with internal and external stakeholders, including external experts.

To assess the importance of each impact, the **Board of Directors**, the **Board of Auditors**, **Sustainability Governance** and the organisation’s **external stakeholders** each assigned an order of magnitude from 1 to 5. This rating was based on the severity of the impact generated and the probability of occurrence. During the year, interviews, one-to-one meetings and other stakeholder engagement activities were conducted to obtain a comprehensive and shared view of the impacts. The materiality analysis also leveraged the **Risk Assessment** activities carried out in the **company’s strategic planning and certification** renewal according to international standards. This made it possible to integrate the impact assessment process with risk management, ensuring a holistic and integrated approach to the company’s sustainability.

At the end of the evaluations carried out by the stakeholders during the engagement activities, Belleli Energy CPE proceeded to separately prioritise the positive and negative impacts, classifying them in order of severity (from the greatest to the least). In the case of impacts of equal severity, the probability of occurrence was taken into account, giving importance to their significance. Both positive and negative impacts were associated with **specific material issues**, taking into consideration the entire value chain of the company, including aspects of upstream and downstream activities. This approach made it possible to understand the impact of the company at all stages of its operations.

Subsequently, the identified impacts were subjected to an **internal stakeholder assessment** to verify their accuracy and relevance. This process of review and sharing with internal stakeholders ensured that relevant impacts were adequately considered and that the information was based on solid, verified data.

Ultimately, this comprehensive and participatory approach has enabled Belleli Energy CPE to identify the **most significant material issues**, understand the **impacts of its activities** on the economy, environment and people, and ensure **responsible** and focused **management** of the most relevant issues for the company and its stakeholders.



Negative impacts

3-1

The table lists the negative impacts identified, with their dimension (environmental, social and economic), material topic and generated impact on economy, environment and people. Impacts were ordered according to levels of severity and likelihood of occurrence, with the first eight impacts highlighted with a background colour to indicate their greater significance.

| Area | Material topic | Negative impact generated on economy, environment and people | Positioning within the value chain | Type of impact | Severity | Probability of occurrence |
|---------------|-----------------------|--|---|----------------|----------|---------------------------|
| Environmental | Climate Change | Failure to reduce greenhouse gas (GHG) emissions leads away from Net Zero targets | Impact refers to the entire value chain | Effective | 5 | 4 |
| Sociale | Skills for the future | Lack of staff skills | The impact refers to | Potential | 5 | 4 |
| Environmental | Energy efficiency | Irresponsibl e managem nt of energy resources and lack of effective energy efficiency strategies for business activities | Impact refers to the entire value chain | Effective | 5 | 4 |

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| Area | Material topic | Negative impact generated on economy, environment and people | Positioning within the value chain | Type of impact | Severity | Probability of occurrence |
|-----------------------|--|---|---|----------------|----------|---------------------------|
| Social | Employment | Inability to find and attract talent and ensure adequate opportunities for personal and professional growth for all employees. | The impact refers to operations | Potential | 5 | 3,5 |
| Social | Salute e Health and safety at work | Occurrence of accidents and injuries due to lack of dissemination of safety culture and asset integrity | The impact refers to operations | Potential | 5 | 3 |
| Economical | Wealth generation | Unprudent economic management of the company | Impact refers to the entire value chain | Potential | 5 | 3 |
| Environmental | Energy transition | Inability to seize development opportunities in emerging businesses does not allow one to contribute to the ecological transition | Impact refers to the entire value chain | Potential | 5 | 2 |
| Environmental | Sustainable innovation | Using outdated technology and not meeting customer needs results in a lower strategic positioning compared to the competition | Impact refers to the entire value chain | Potential | 5 | 2 |
| Economical; social | Ethics and Integrity | Non-compliance with environmental laws and regulations | Impact refers to the entire value chain | Potential | 4,5 | 2 |
| Environmental | Circular economy | Non-implementation of a circular business model | Impact refers to the entire value chain | Effective | 4 | 4 |
| Social | Welfare | Failure to understand and meet staff needs | The impact refers to operations | Potential | 4 | 3 |
| Social | Non-discrimination and equal opportunities | Non-application of inclusion policies within the company, including respect for human rights | The impact refers to operations | Potential | 4 | 2 |
| Social | Cyber Security and Data Protection | Violation of data protection regulations and inadequate protection of intellectual property | Impact refers to the entire value chain | Potential | 3,5 | 3 |
| Environmental; Social | Sustainable supply chain | Failure to verify respect for human rights and sustainable practices along the entire value chain | Impact refers to the entire value chain | Potential | 3,5 | 2,5 |
| Social | Local communities | Damage to local communities | Impact refers to the entire value chain | Potential | 2,5 | 2 |

The most significant negative impacts:

Climate change: Failure to reduce greenhouse gas (GHG) emissions leads to a departure from Net Zero targets and has a high severity and likelihood of occurrence.

Skills for the future: Lack of staff skills can have a significant impact on the company’s operations, with high severity and probability of occurrence.

Energy efficiency: Irresponsible management of energy resources and the absence of energy efficiency strategies can have a negative impact on the entire value chain, with high severity and probability of occurrence.

Employment: The inability to find and attract talent and ensure personal and professional growth opportunities for employees can have a major bearing on operations, with high severity and moderate likelihood of occurrence.

Health and safety at work: The lack of a safety culture and asset integrity can lead to accidents and injuries in operations, with high severity and moderate probability of occurrence.

Wealth generation: Unprudent business management can affect the entire value chain, with high severity and probability of occurrence.

Energy transition: Failure to seize development opportunities in emerging businesses may impact on the ecological transition, with high severity and probability of occurrence.

Sustainable innovation: The use of obsolete technologies may result in a lower strategic positioning compared to competitors, with high severity and probability of occurrence.

These impacts represent critical areas for the company, and their monitoring and management are key to pursuing a sustainable and responsible development model.

Positive impacts

3-1

The table lists the positive impacts identified, with their dimension (environmental, social and economic), material topic and the impact generated on the economy, environment and people. Impacts have been ordered according to levels of severity and likelihood of occurrence, with the first five impacts highlighted with a different background colour to indicate their greater significance.

| Area | Material topic | Positive impact generated on economy, environment and people | Positioning within the value chain | Type of impact | Severity | Probability of occurrence |
|---------------|---------------------------|---|---|----------------|----------|---------------------------|
| Environmental | Sustainable innovation | R&D investment for global decarbonisation | Impact refers to the entire value chain | Effective | 5 | 5 |
| Social | Health and safety at work | Spreading and strengthening the culture of safety in the workplace | The impact refers to operations | Effective | 5 | 5 |
| Economical | Wealth generation | Good management of the economic value generated and distributed | Impact refers to the entire value chain | Effective | 5 | 5 |
| Environmental | Energy efficiency | Promoting responsible management of energy resources by monitoring the organisation's direct and indirect consumption and identifying effective energy efficiency strategies for corporate activities | Impact refers to the entire value chain | Effective | 5 | 5 |

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| Area | Material topic | Positive impact generated on economy, environment and people | Positioning within the value chain | Type of impact | Severity | Probability of occurrence |
|-----------------------|--|--|--|----------------|----------|---------------------------|
| Social | Employment | Job creation | The impact refers to operations | Effective | 5 | 3,5 |
| Social | Ethics and Integrity | Ethical management of all company affairs and compliance with laws and regulations | Impact refers to the entire value chain | Effective | 4,5 | 4 |
| Environmental | Climate Change | Net Zero strategy for corporate energy transition | Impact refers to the downstream stage of the value chain | Potential | 4,5 | 3,5 |
| Social | Skills for the future | Training and skills development of staff and future workers | Impact refers to the entire value chain | Effective | 4,5 | 3,5 |
| Social | Non-discrimination and equal opportunities | Creating an inclusive working environment that respects human rights | The impact refers to operations | Effective | 4 | 4,5 |
| Environmental; Social | Sustainable supply chain | Audits to stimulate ESG-compliant behaviour through annual performance evaluations | Impact refers to the downstream stage of the value chain | Effective | 4 | 3,5 |
| Social | Welfare | People-oriented policies | The impact refers to operations | Effective | 4 | 3 |
| Environmental | Circular economy | Participation in market circularity | Impact refers to the entire value chain | Potential | 3,5 | 3 |
| Social | Local communities | Programmes for the growth and care of the local community | Impact refers to the entire value chain | Potential | 3 | 4 |
| Social | Cyber Security and Data Protection | Protection of sensitive data and information of strategic importance | Impact refers to the entire value chain | Effective | 3 | 3,5 |

The relevant positive impacts:

Sustainable innovation: Investment in research and development for global decarbonisation has a positive effect on the entire value chain, with high severity and probability of occurrence.

Health and safety at work: The dissemination and strengthening of a safety culture in the workplace positively affects the company’s operations, with high severity and probability of occurrence.

Wealth generation: Good management of the economic value generated and distributed has a positive impact on the entire value chain, with high severity and probability of occurrence.

Energy efficiency: The promotion of responsible energy resource management and energy efficiency strategies positively impact the entire value chain, with high severity and moderate likelihood of occurrence.

Employment: Job creation has an important relevance for the company’s operations, with high severity and moderate probability of occurrence.

These positive impacts highlight how Belleli Energy CPE is actively working to generate a positive impact on sustainability, people’s safety and well-being, and environmental practices.

Material Topics

The adoption of the **new approach** proposed by the GRIs for materiality analysis has led to the reconfirmation of some issues previously considered relevant and the identification of new ones of great importance. This “**inside-out**” approach, based on the **impact materiality** perspective, allowed the company to broaden its vision and consider the international context in which it operates, taking into account both positive and negative impacts generated along the entire value chain.

New additions to the list of material topics include **Sustainable Innovation, Ethics and Integrity,** and **Cybersecurity** and **Data Protection**. These topics reflect the company’s increasing focus on sustainability, the importance of ethical integrity in business management and the growing awareness of the need to protect data and strategic information.

Below is the list of topics obtained from the 2022 materiality analysis, according to the impact materiality perspective:

| Area | Material Topics | Relevance |
|---|--|-----------|
|  | Climate Change | 5 |
|  | Energy Efficiency | 5 |
|  | Health and safety at work | 5 |
|  | Sustainable innovation | 5 |
|  | Employment | 5 |
|  | Wealth generation | 5 |
|  | Skills for the future | 4 |
|  | Ethics and Integrity | 4 |
|  | Non-discrimination and equal opportunities | 3 |
|  | Welfare | 3 |
|  | Circular economy | 2 |
|  | Sustainable supply chain | 2 |
|  | Cyber Security and Data Protection | 1 |
|  | Local communities | 1 |

 Environmental issues  Social issues  Governance issues (including economic aspects)

These topics represent the pillars on which Belleli Energy CPE builds its approach to sustainability, with the aim of generating sustainable value for all stakeholders and contributing to social, economic and environmental progress.

Contribution to the SDGs and compliance with UN Global Compact principles

2-23 2-24

On 1 January 2016, the 17 SDGs¹ - Sustainable Development Goals of the **2030 Agenda**² - officially came into force², broken down into 169 targets to be achieved by 2030 to end all forms of poverty, combat inequality and tackle climate change, while ensuring that no one is left behind. These targets are integrated and indivisible and follow a triple bottom line approach by including the three **dimensions** of sustainable development: the **economic, social and environmental dimensions**. As everyone is invited to participate in their realisation, companies with their own resources and expertise are also called upon to contribute to the achievement of the global goals. Recognising the importance of these goals, the Tosto Group has identified links between the priorities defined by Belleli Energy CPE's material topics and their impact on the **17 SDGs** and the **Ten Principles of the UN Global Compact**. This strengthening of the connection between the **company's material topics** and the **global goals** provides an opportunity for Belleli Energy CPE to align its future development with a **sustainable vision on a global scale**, actively contributing to the achievement of the sustainability goals set at international level.

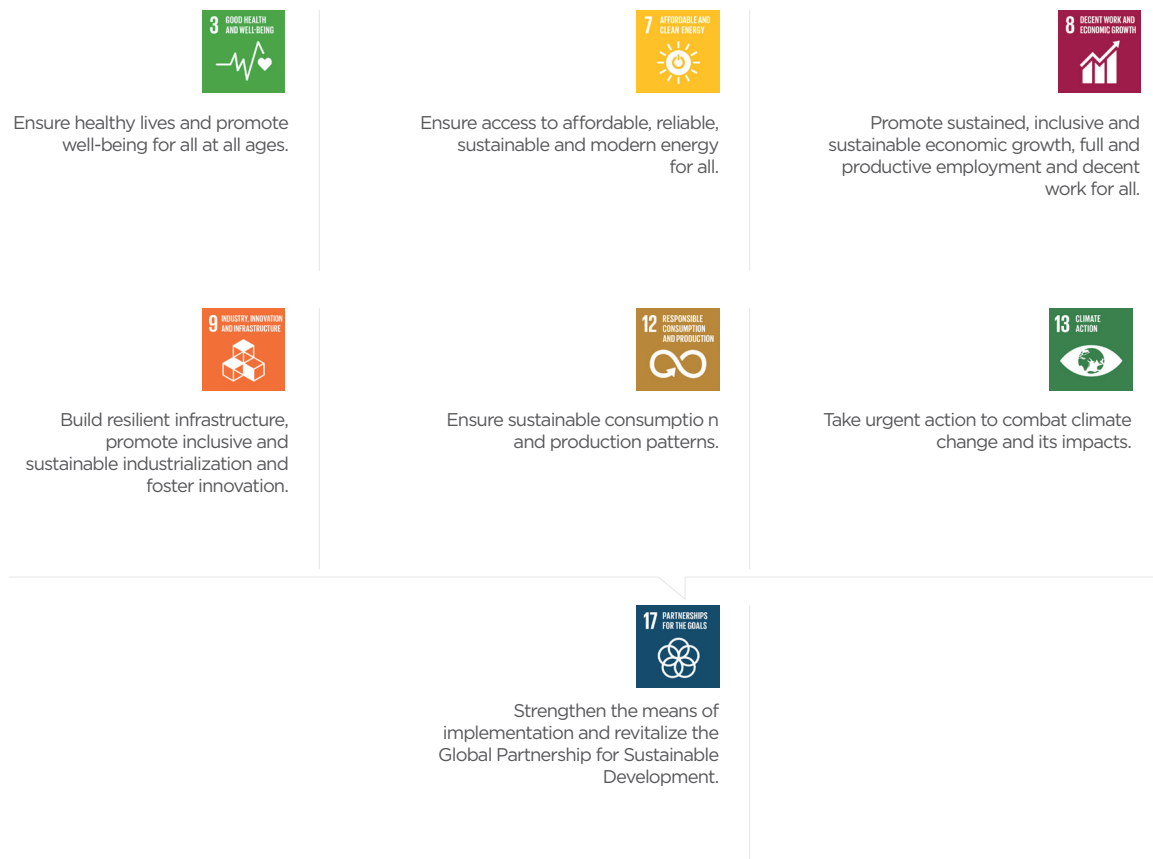
| Material Topics | SDGs | UNGC GOALS |
|--|------|------------|
| Climate Change | | |
| Energy efficiency | | |
| Health and safety at work | | |
| Sustainable innovation | | |
| Employment | | |
| Wealth generation | | |
| Skills for the future | | |
| Ethics and Integrity | | |
| Non-discrimination and equal opportunities | | |
| Welfare | | |
| Circular economy | | |
| Sustainable supply chain | | |
| Cyber Security and Data Protection | | |
| Local communities | | |

¹ <https://asvis.it/goal-e-target-obiettivi-e-traguardi-per-il-2030/#>
² <https://asvis.it/l-agenda-2030-dell-onu-per-lo-sviluppo-sostenibile/>

The table clearly shows how each material topic identified by Belleli Energy CPE is linked to multiple Sustainable Development Goals (SDGs) and multiple United Nations Global Compact Goals (UNGC Goals). This connection highlights how corporate activities and initiatives to address material issues can have a positive impact on multiple dimensions of sustainable development. This integrated approach allows the company to more clearly and transparently communicate its sustainability efforts to stakeholders, creating greater reputational value and contributing to building a sustainable future for all.

Below are some of the SDGs shared by Belleli Energy CPE and on which we feel we can make a greater contribution because they are closer to the company’s mission and activities. On these six goals the Company has defined its short and long-term objectives (see “Future objectives and commitments”) with a view to continuous improvement.

Finally, transversal to the Priority Goals and indispensable for their attainment, is ‘Goal 17 -Partnership for the Goals’ - a tool to reinforce the importance of collaboration and involvement of all actors, including governments, non-governmental organisations and other enterprises, to achieve the SDGs. Since each of the 17 SDGs can be associated with one of the ESG components, it follows that the Group’s focus distribution is a comprehensive and balanced approach, as it addresses several dimensions of sustainable development. This integrated approach can lead to a more responsible management of business activities and a broader positive impact on society and the environment.



As proof of its commitment to date and the importance of increasingly integrating sustainability into the company's strategic decisions, in 2022 Gruppo Tosto joined the **United Nations Global Compact**, the world's largest business sustainability initiative. The **Ten Principles of the Global Compact** cover the fundamental areas of **human rights, labour, environment and anti- corruption**. They emphasise the importance of respecting human rights, ensuring decent and fair working conditions, protecting the environment and promoting anti-competitive and transparent practices. Adherence to the Global Compact requires a concrete and continuous commitment to integrate these principles into corporate policies and practices.

Joining the Global Compact also provides a platform for the exchange of knowledge and best practices with other companies and organisations, thus fostering mutual learning and collective growth towards sustainability. This initiative can be an engine for inspiration and positive change within the industry and the community in which the company operates.

WE SUPPORT



ENVIRONMENT

The challenge posed by **climate change** is crucial and has been recognised as one of the most urgent issues to be addressed globally. The **Sixth Assessment Report on Climate Change (AR6)** represents a fundamental synthesis of our current knowledge on how climate change, caused by human activity, is affecting our planet and what actions we can take to counter this climate crisis. It integrates the findings of three special reports (2018's Global Warming of 1.5°C, 2019's Climate Change and Land, and 2019's Ocean and Cryosphere in a Changing Climate) and contributions from three working groups of the IPCC Sixth Report: 2021's The Physical Science Basis, 2022's Impacts, Adaptation and Vulnerability, and 2022's Mitigation of Climate Change. This synthesis represents five years of interdisciplinary study and analysis of our planet's climate, starting with the goal of containing **global warming** to within 1.5°C, an unprecedented challenge identified by the IPCC in 2018.

However, the authors of the new report state that this challenge has become even greater due to the persistent increase in **greenhouse gas emissions**. It is clear that the current plans of world governments to tackle climate change are insufficient and that an urgent change of course is needed.

The signs of global warming are increasingly evident, with rising ocean levels, dwindling resources and the erosion of arable land. Extreme weather events such as droughts and fires can destroy crops, while floods and falling water levels can bring transport systems and supply chains to a standstill, resulting in high costs for businesses.

Faced with this challenge, a wide range of stakeholders are demanding immediate, clear and decisive action from governments to counter the climate emergency, which is considered the priority of our time and the prerequisite for all policies at both state and supranational levels.

Belleli Energy CPE actively engages in mitigation actions, seeking to reduce greenhouse gas emissions from industrial activities through **constant research into new methodologies and sustainable practices**. Belleli Energy CPE's participation in the construction of the **nuclear fusion reactor** represents a project of considerable importance and innovation in the field of energy. **Nuclear fusion** is a promising source of energy that can overcome the limitations of traditional sources and contribute to the production of clean and sustainable energy. This pioneering project demonstrates the company's commitment to finding innovative solutions to address the challenge of energy scarcity and contribute to the fight against climate change. In addition to the construction of the fusion reactor, Belleli Energy CPE demonstrates a constant interest in its target market and in researching initiatives focused on **energy efficiency**, the **circular economy** and the **reduction of CO₂ emissions**. This commitment is manifested both through direct participation as a stakeholder or investing partner in such initiatives, and through the analysis and interception of opportunities in this sector.

Finally, the company supports and promotes research projects in cooperation with research institutes and universities on climate change issues, helping to promote a low-carbon economy. Innovation plays a key role in this process, as it encourages the development of more sustainable solutions and contributes to mitigating the effects of climate change (see 'Innovability').

Environmental Management

2-23

2-24

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Belleli Energy CPE has placed great emphasis on both system and product conformity, adhering to the main international certification standards in the field of System Quality and Product Quality. This commitment has enabled the company to establish itself in national and international markets.

The company adopts an environmental policy that is based on the principles of international standards and is closely followed, as it is central to the day-to-day operations. Procedures are standardised and continuous improvement is constantly being worked on.

The focus of Belleli Energy CPE's environmental management is the protection of the environment, pursuing the principle of sustainable development, continuous improvement of environmental performance and ensuring transparency in communication and reliability in monitoring activities. The company is committed to:

- **Applying and continuously improving the adopted Environmental Management System**, which includes setting and achieving objectives in terms of environmental performance, identifying and managing risks to achieve them, and seizing opportunities;
- **Protecting** the environment by preventing all forms of pollution and limiting the environmental impact of processes in terms of atmospheric emissions, noise impact, water discharges, waste management;
- **Ensure full legal compliance** in the environmental field by identifying and complying with all applicable legal obligations;
- Identifying and adopting measures to **pursue energy saving, saving raw materials** and natural resources, **recovering waste** rather than disposing of it;
- Identifying and taking **measures to prevent possible environmental accidents**, such as spills of pollutants into the soil, uncontrolled emissions, and to contain their possible environmental effects, giving priority to the safety and health of stakeholders, from employees to the general public
- Orienting production towards **eco-friendly products** (where possible);
- **Promoting employee responsibility and awareness** through appropriate training programmes;
- Be available for an **open and honest dialogue** with public authorities and the external community to make them understand the real environmental aspects of the company's business.

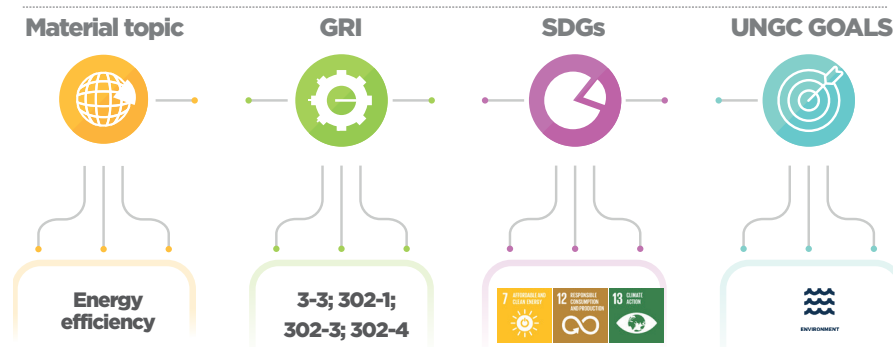
The environmental aspects with which the company is confronted are

- 1. Land consumption:** it is necessary to have large covered spaces equipped with high-capacity overhead cranes for the positioning and processing of large workpieces; it is necessary to have large uncovered, paved and driveway spaces for the storage and handling of raw materials, semi-finished and finished products, and for the storage of supports and equipment for anchoring workpieces.
- 2. Reducing the quantity and hazardousness of waste** produced in the cutting, forming, welding, testing and surface processing processes (in particular, sandblasting and painting waste): the Company is studying ways of reducing the quantity and hazardousness or preparing for the recovery of dusty, hazardous and non-hazardous waste.
- 3. Prevention of water pollution** from yard runoff, with the development of segmentation and confinement systems for 'dirty' work areas and the installation of de-oiling and purification systems.
- 4. Reducing the amount of energy** used to carry out processes
- 5. Control and reduction of atmospheric emissions** from welding, painting, annealing processes.

It should be noted that the company adopted a 'Green Office Manual' in 2022 with the aim of promoting sustainable practices within the working environment. This initiative is a further step in our commitment to sustainability and aims to raise awareness and train employees on how to actively contribute to reducing the organisation's environmental impact. In the following paragraphs, a quantitative overview of the company's efforts to mitigate these environmental impacts will be provided, demonstrating its deep commitment to environmental protection and the sustainability of its operations.

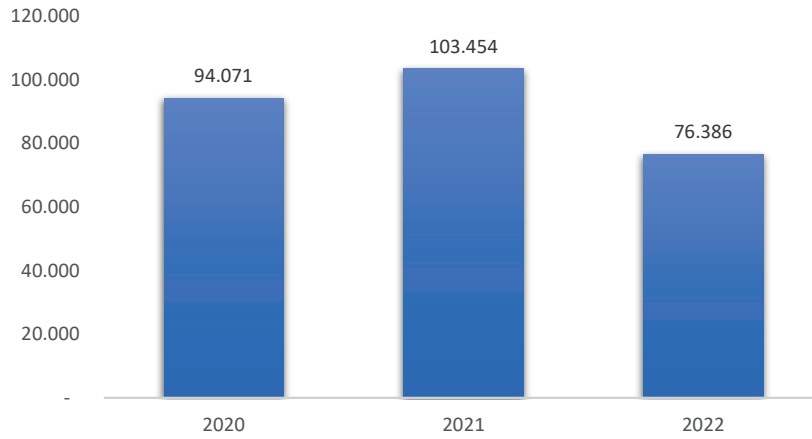
Energy consumption

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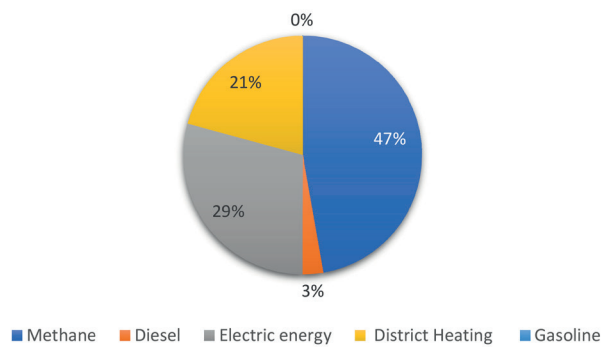


As a **large company** and an **energy-intensive company**, Belleli Energy CPE falls within the scope of **Legislative Decree 102/2014**. This decree concerns the **management of energy efficiency** and stipulates that large companies and companies with high energy consumption must implement an **energy diagnosis and efficiency improvement process**. In **2022**, Belleli Energy CPE's total **energy consumption was 76,386 GJ**, showing a **26% reduction** from the previous year (**2021**) when it was **103,454 GJ**.

Energy consumption (GJ)



Energy consumption by source of use - 2022



Reducing energy consumption

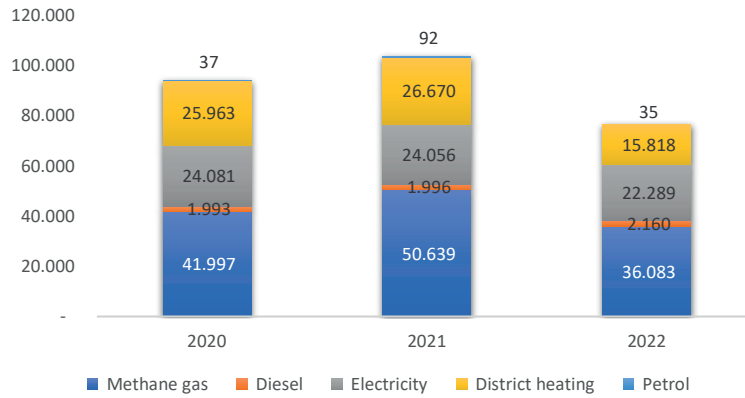


The consumption of **methane gas**, which is the most widely used fuel type, decreased from 50,639 GJ to 36,083 GJ compared to the previous year, contributing significantly to the **overall reduction in energy consumption**.

The consumption of diesel and petrol increased slightly compared to the previous year, while the consumption of electricity and district heating decreased.

This overall reduction in energy consumption is a positive sign and indicates the company’s efforts in energy efficiency and the search for more sustainable and low-carbon energy sources. Reducing energy consumption is a key element in the fight against climate change and demonstrates Belleli Energy CPE’s commitment to more sustainable management of energy resources.

Energy mix composition in GJ



Energy intensity

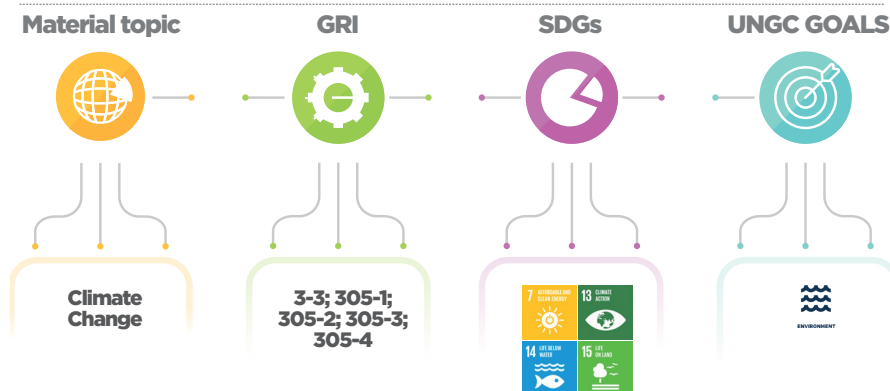


Over the period 2020-2022, the Belleli Energy CPE showed a significant reduction in the total net weight of manufactured products. However, the energy intensity ratio, i.e. the amount of energy consumed to produce one tonne of manufactured products, increased over the years, indicating an increase in energy consumption per unit of manufactured product.

| Energy intensity | | 2020 | 2021 | 2022 |
|----------------------------------|-------|-------|-------|-------|
| Total net weight of manufactured | tonn. | 7.485 | 5.704 | 3.457 |
| Energy intensity ratio | Gj/t | 12,6 | 18,1 | 22,1 |

The reduction in the total net weight of manufactured products is positive, as it indicates greater production efficiency and possible reductions in the resources used. However, the increase in the energy intensity ratio over the past two years represents a challenge for the company as part of its sustainability and environmental impact reduction strategy.

Fighting climate change



Climate change has gained prominence in the minds of **stakeholders** and is at the centre of the political arena. Climate activists, such as the **Fridays for Future** movement, have mobilised millions of people worldwide to demand concrete action against climate change. These protests have helped raise attention to the issue and increase pressure on stakeholders and policymakers to take effective action.

The **2015 Paris Agreement**, signed by almost every country in the world, aims to limit the rise in global temperatures to below **2 degrees Celsius** compared to pre-industrial levels and to pursue efforts to limit the increase to **1.5 degrees Celsius**. This agreement highlighted the importance of climate change as a global challenge that requires coordinated actions among countries.

Companies are increasingly aware of their impact on climate and environmental issues: **private sector** engagement reflects both growing stakeholder awareness and the economic and commercial importance of addressing climate change.

Belleli Energy CPE manages **climate change risks**, constantly researches new methods to improve its practices and minimise the impact of **emissions** from **industrial activities** (see '*Innovability*').

Carbon Footprint

Zero-emission businesses represent one of the fastest growing sustainable business trends. According to scientists, achieving zero emissions by 2050 is crucial to keep us safe from the catastrophic consequences of climate change.

The **Stocktake Net Zero Tracker of 2023** shows that a clear consensus has been reached over the past two and a half years to reduce greenhouse gas emissions to zero at the level of national targets. The national net zero targets now collectively represent:

- 88% of global greenhouse gas emissions (from 61% in December 2020);
- 92% of global GDP (from 68% in December 2020);
- 89% of the global population (up from 52% in December 2020).

The analysis shows that in the last 12 months many national governments have shifted their focus to formalising existing informal commitments. Notably 72 national net zero targets, including those of the US, UK, Nigeria and Japan, are either enshrined in legislation or outlined as targets in policy documents.

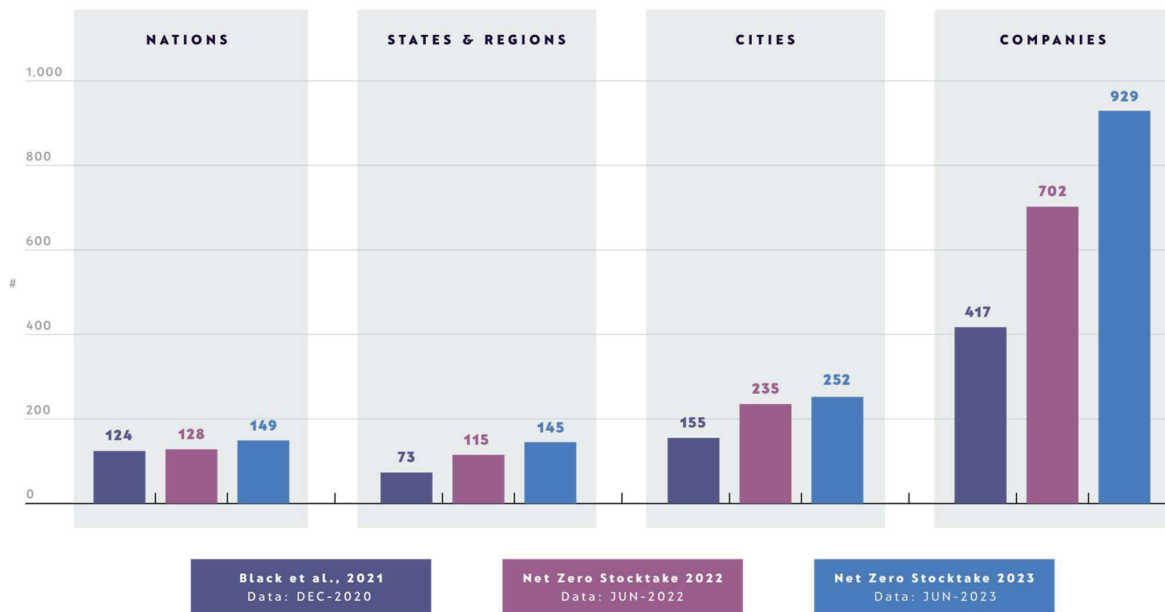
Unfortunately, the situation is far worse for sub-national entities and companies.

37% of the world's largest companies have not set any kind of greenhouse gas mitigation target. Among those that have declared them, the US has 49% of companies, in contrast to the EU where it is 79%. 41% of the world's states have no mitigation targets, while the G7 (80%), the EU (75%) and the US (72%) do. Only 252 large cities have set climate neutrality targets, which represents 37% of the 2.1 billion people living in large cities.

With regard to companies - whose contribution is absolutely essential - there has been considerable growth, with the number of targets doubling in the last 2.5 years (now 929; from 417 in 2020 to 702 in 2022). But despite the progress made in setting corporate targets, NZT warns that the integrity of corporate emission reduction targets must urgently be improved if they are to be achieved on schedule.

NET ZERO TARGET SETTING

Comparing net zero target numbers over the last two and a half years.



Companies are therefore accelerating in the race towards zero emissions because climate **science is widely accepted and because zero emissions reduce risks, costs and attract ESG investors and talent.**

The Stocktake also assessed one of the key policy issues ahead of the COP28 hosted by the United Arab Emirates, namely the **decarbonisation commitments of fossil fuel companies.** The number of the 114 largest oil and gas companies analysed with net zero targets rose sharply to 75 in May 2023, from 51 in June 2022. However, the industry’s climate targets have the following credibility gaps:

- most of the 75 net zero targets for oil and gas companies do not fully cover or clarify the coverage of scope 3 emissions, i.e. emissions related to the value chain (to be distinguished from scope 1 and 2, which are direct emissions). This makes them essentially irrelevant since, for example, emissions from the use of fuels sold would fall right into scope 3;
- none of these 114 companies has set a goal of completely abandoning fossil fuel activities. The conversion strategy must necessarily be multi-level and tailored to each production reality. From actions on the mix of energy sources (transition to renewables as a policy of buying energy on the market or installation of photovoltaic modules for self-consumption or return to the grid) to optimisation of the logistics of raw materials and finished products.

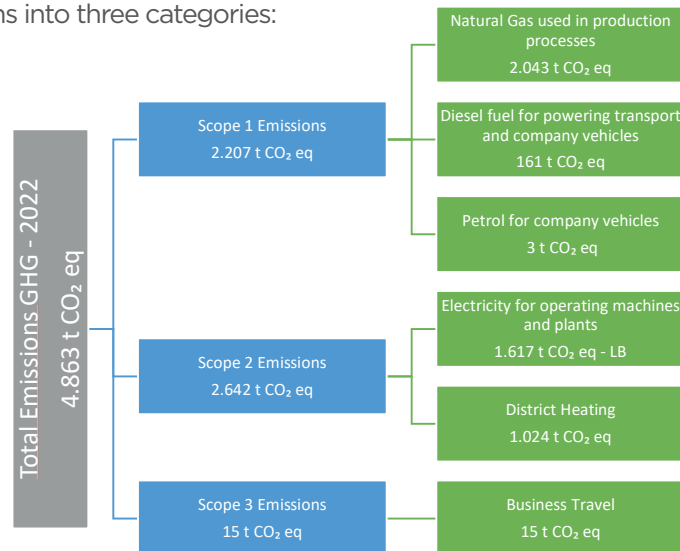
The **first step** towards the goal of reducing CO2 emissions for Belleli Energy CPE took the form of **accurate consumption mapping**: the company set up a data acquisition system for emissions reporting based on the principles of **accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability.**

The carbon footprint calculation method followed the **ISO 14068:2018** standard, which is based on a rigorous and standardised assessment of greenhouse gas emissions. The main objective is to provide a consistent and reliable framework for measuring and managing emissions, enabling organisations to assess and monitor their environmental impact and take action to reduce emissions.

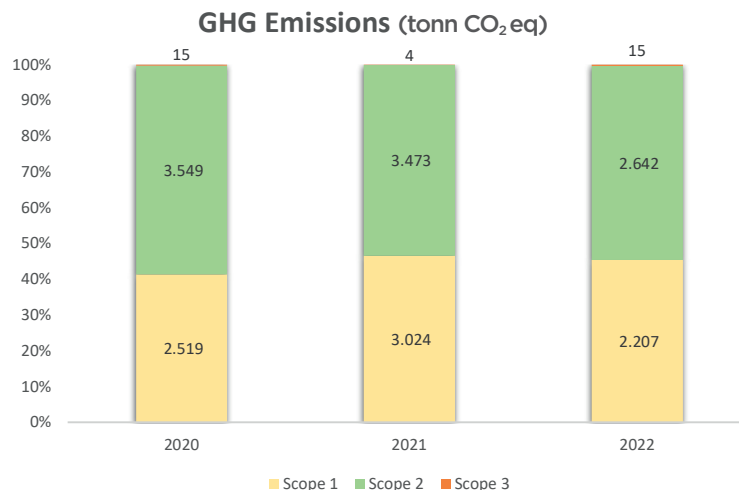
The standard requires the use of appropriate emission factors to calculate emissions: Belleli Energy CPE used the **ISPRA** (Istituto Superiore per la Protezione e la Ricerca Ambientale) emission **factors** to calculate its CO₂ emissions. ISPRA emission factors are coefficients that convert human activities into quantities of equivalent CO₂ emissions. These factors are based on scientific studies and extensive research to provide accurate estimates of CO₂ emissions associated with different sources, such as fossil fuel use, electricity, transport, industry and agriculture.

Finally, the standard specifies procedures for the collection, organisation and processing of greenhouse gas emission data. This includes documentation of data sources, verification of data quality and transparency in information processing.

The reporting protocol divides emissions into three categories:



Scope 1 and Scope 2 CO₂ emissions amounted to 4,848 tonnes (-25% compared to 2021).

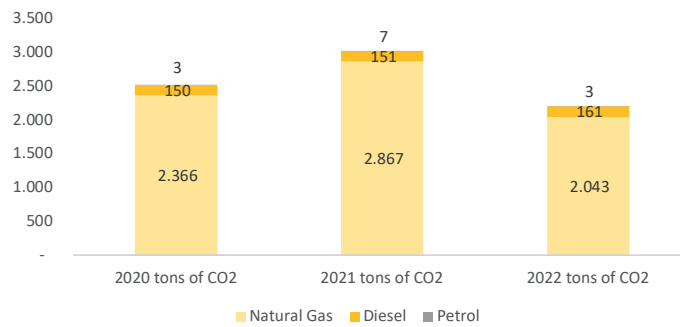


Direct GHG emissions (Scope I)

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Scope 1 - Emissions from **the direct combustion** of fossil fuels. They arise mainly from the use of **natural gas** in production processes and for heating, **diesel** for fuelling transport vehicles and a small amount of **petrol** for company vehicles. From 2020 to 2022, there is a reduction in emissions in some categories, e.g. diesel fuel for company vehicles. Sources of emissions classified as Scope I are directly controlled by the organisation and are therefore the **most ‘attackable’ in a strategy to reduce its environmental footprint.**

Total direct GHG emissions Scope 1 (tons CO₂ eq)



Indirect GHG emissions from energy consumption (Scope II)

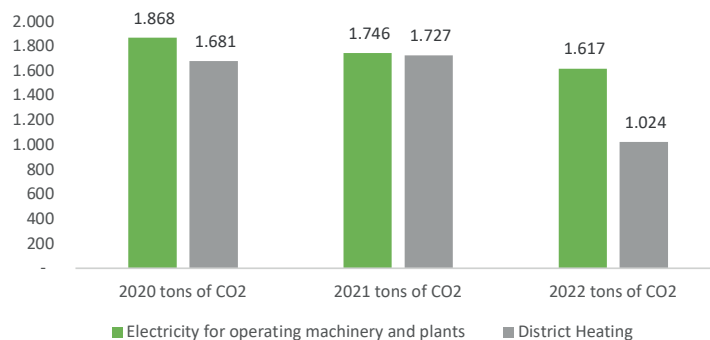
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Scope 2 - The emissions resulting from the production of imported and consumed electrical energy for the organization’s electrical equipment and lighting inside the buildings; there is a more limited form of control over these emissions. The company uses the “market-based” approach, which relies on specific emission factors associated with the energy purchased by the company through contracts or commercial agreements. “Market-based” is one of the two commonly used methods to calculate Scope II emissions; the other method is “location-based”.

CO₂ emissions also originate from district heating.

It is worth noting that from 2020 to 2022, there is a trend of decreasing Scope II emissions from both sources.

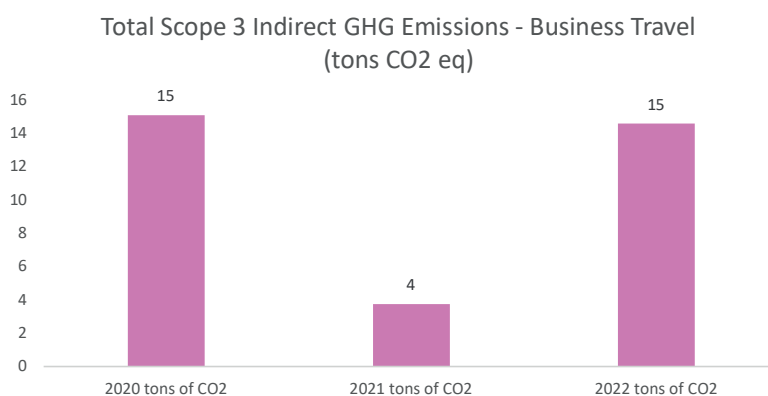
Total indirect GHG emissions Scope 2 (tons CO₂ eq) - MB



Other indirect GHG emissions (Scope III)



Scope 3 - Emissions other than indirect GHG emissions from energy consumption, which are a consequence of an organisation’s **own** activities, but which **arise from GHG sources owned or controlled by other organisations**; such as emissions related to business travel, goods used, employee mobility, etc. The Scope boundary is agreed by the organisation and generally only needs to be included in Scope III that which the organisation can quantify and influence. Unlike Scope I and II, which must be compulsorily counted, Scope III is optional. Belleli Energy CPE has chosen to include all three emission categories (Scope I, II and III) in its environmental reporting, demonstrating a commitment to comprehensively assess the company’s environmental footprint. However, it is important to note that mapping third-party consumption and emissions can be more complex and subject to possible approximations, especially for certain activities such as staff transport, marketing trips and employee mobility. In particular, the personnel transport sector - linked to that process of skills transfer and osmosis, which is taking place between the Group’s plants and which is a strategic objective of motivating human resources - or marketing trips, or employee mobility itself, are sectors that have yet to be decoded in terms of their environmental impact on climate-changing emissions. Therefore, a possible underestimation of the Scope III figure available to date cannot be ruled out at the moment.



Intensity of Emissions



The table shows data on the total net weight of manufactured products, expressed in tonnes, and the GHG emission factor of manufactured products, expressed in kg CO₂ equivalent per tonne net weight, for the three years considered: 2020, 2021 and 2022.

| | | 2020 | 2021 | 2022 |
|--|---|-------|-------|-------|
| Total net weight of manufactured | tonn. | 7.485 | 5.704 | 3.457 |
| GHG emission factor of manufactured products | KG di CO ₂ -Eq / Tons net weight | 813 | 1.140 | 1.407 |

These data indicate that despite a reduction in the total net weight of manufactured products, the GHG emission intensity associated with their production has increased over the years. This suggests that measures need to be taken to reduce the environmental impact of production activities in order to achieve greater environmental sustainability and limit the effect of CO₂-Eq emissions.

Travel Policy

Belleli Energy CPE's travel policy is geared towards optimising travel routes and promoting the use of public transport and more sustainable means such as car sharing. The main expected benefits do not only concern the environmental impact, but also the satisfaction and well-being of employees, since they reduce costs and transfer times, thus reducing the risk of accidents and stress.

Regardless of the situation created by the pandemic emergency, the company's work travel policy promotes the use of public transport whenever possible and without excessive travel difficulties, thus limiting the use of cars. The company is also investing in increasingly high-performance technologies that improve the use of video and teleconferencing, with the aim of reducing employee travel for work purposes.

Belleli Energy CPE is committed to providing all necessary resources and support to ensure that employees adhere to the travel policy and actively contribute to the company's efforts towards greater sustainability and reduction of greenhouse gas emissions. The company sees the promotion of sustainable means of transport and the adoption of innovative technologies as fundamental to a more environmentally responsible future and the well-being of its employees.

Mobility management

Starting in 2022, Belleli Energy CPE has placed special emphasis on sustainable mobility, launching the first phase of a project aimed at mapping the routes employees take to travel from their place of residence to their workplaces. This project aims to promote sustainable mobility management, with the goal of reducing greenhouse gas (GHG) emissions and promoting a change of habits towards a greener approach that meets the directives of Interministerial Decree No. 179 of 12 May 2021, Article 3 paragraph 5, concerning the sustainability of transport in Italy.

In the sustainable mobility plan, concrete actions are foreseen to incentivise and organise company car- pooling, which allows employees to share the same car for the home-work journey. This sustainable alternative solution offers advantages both economically and ecologically, but also in terms of human relations: by travelling together, colleagues can get to know each other better and strengthen team spirit within the company.

At the end of this initial phase, scheduled for 2023, Belleli Energy CPE plans to implement a sustainable mobility management model, which will actively contribute to the reduction of greenhouse gas emissions and the achievement of corporate sustainability goals.

Company fleet

In 2021, Belleli Energy CPE adopted a plan to phase out the most polluting light and heavy vehicles as part of sustainable mobility. In line with its sustainable development strategy, the company has taken the initiative to promote a greener and low-emission vehicle fleet.

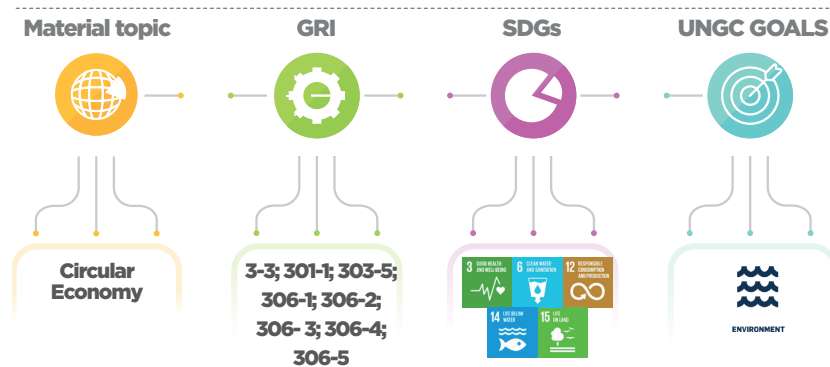
Currently, the company’s fleet comprises 65 diesel-powered vehicles. These vehicles are to be gradually replaced by more environmentally friendly and less impactful ones.

In parallel, Belleli Energy CPE has already introduced 2 electric forklifts and 1 electric chariot into its fleet, demonstrating its commitment to the transition to vehicles powered by cleaner and more efficient energy sources.

- 14 diesel cars
- 14 forklifts (of which 12 diesel; 2 electric)
- 19 diesel-powered lifting platforms (AWP)
- 6 diesel-powered cranes

These actions are part of the company’s sustainable mobility plan, which aims to reduce the environmental impact of transport activities and contribute to the overall reduction of the company’s greenhouse gas emissions.

Circular Economy



The **transition to a circular economy** is an approach that Belleli Energy CPE has long embraced, even before sustainability reporting. This way of thinking is firmly rooted in the company’s business model and has influenced the actions taken for many decades.

As part of their daily activities, every fabricator, welder and tester follows a **resource-saving** logic, always asking themselves whether residual materials from their work can be reused within the same production cycle, or whether they can be adapted and repaired for further reuse, or even used as auxiliary materials in other activities within the same production site. This approach makes it possible to minimise the production of special waste and maximise the recycling and reuse of resources.

Furthermore, the company is actively engaged in collaborating with universities, research centres and laboratories to develop projects aimed at reducing waste production, reusing resources, reducing the hazardousness of materials used and preparing for the recovery of waste produced in its production process. This synergy with the academic and scientific world enables innovative and advanced solutions to promote the circular economy and environmental sustainability.

Raw materials used in the production cycle



In addition to the intangible skills and assets for design, job sheet development and construction, various raw materials and materials are used in Belleli Energy CPE's production cycle. The main **raw materials** used in the production process are:

- **Semi-finished carbon steel/stainless steel products:** These materials form the basis for the construction of industrial components and products. They can be of various thicknesses and are processed and assembled to create finished products according to job specifications.
- **Chemical additives:** They are used for different stages of the production process, such as welding and surface treatments. These additives are essential to guarantee the quality and strength of manufactured products.
- **Lubricating oils:** Used to lubricate operating machines and ensure their proper functioning during the production process and repairs.
- **Solvents:** Used for manual cleaning of semi-finished and finished products exiting processing machines, ensuring the cleanliness and integrity of surfaces

With regard to **packaging**, the company only uses wood from sustainable sources with PEFC and FSC certification. This wood is used to make crates for shipping parts and small components. Given the type of manufactured articles and the considerable size, there are no other materials used for this purpose.

The decision to use wood from certified and sustainable sources reflects Belleli Energy CPE's commitment to sustainability and attention to the environmental impact of its activities.

Waste management

The issue of waste represents one of the most important challenges for the company, given the nature of the materials it works with and the complexity of the production process.

Waste generation and significant waste-related impacts

3-3 306-1

Waste production at Belleli Energy CPE consists mainly of metal scraps from different stages of the production process. These wastes include scrap from the pantograph of semi-finished steel and alloy steel products, machining swarf and metal construction waste. However, the company has implemented a recovery system for these metal scraps through the foundry in order to reduce the environmental impact and maximise the reuse of resources.

Other significant wastes are those from surface processing, such as soaked rags, solvent waste, spent sands and contaminated packaging. These types of waste are destined for disposal and constitute a significant part of the company's operating budget. Their disposal also represents an environmental cost downstream of the production process.

The company is aware of the environmental impact of this waste and is working to improve waste management and reduce the amount generated. This may include the implementation of source reduction practices, the use of less polluting materials and processes or the search for solutions to reuse or recycle materials.

Management of significant waste-related impacts

3-3 306-2

Belleli Energy CPE has adopted responsible and compliant management of significant impacts related to waste, both within the production site and in ex situ management. Regarding on-site impacts, the company has implemented appropriate measures for the proper management of the waste produced. It has identified and created dedicated areas, paved and covered, for the preliminary storage of waste, guaranteeing the correct separation and handling from the production sites to the final storage areas. In addition, Belleli Energy CPE has obtained authorisation for waste recovery, which has enabled it to optimise logistics, handling waste only when fully loaded and reducing the associated costs.

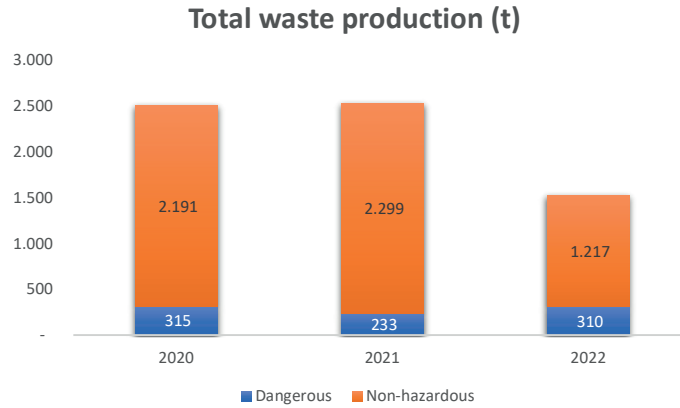
However, the company is aware that there is still room for improvement with regard to monitoring the environmental impacts of off-site waste management. In particular, it plans to raise awareness among suppliers of transport and final waste management services in order to ensure that sustainable and compliant practices are adopted.

In 2022, the amount of waste produced was 1,516 tonnes. Belleli Energy CPE is continuously working to reduce the amount of waste produced, improve the management and final destination of waste, and promote the recycling and reuse of materials to contribute to environmental sustainability.

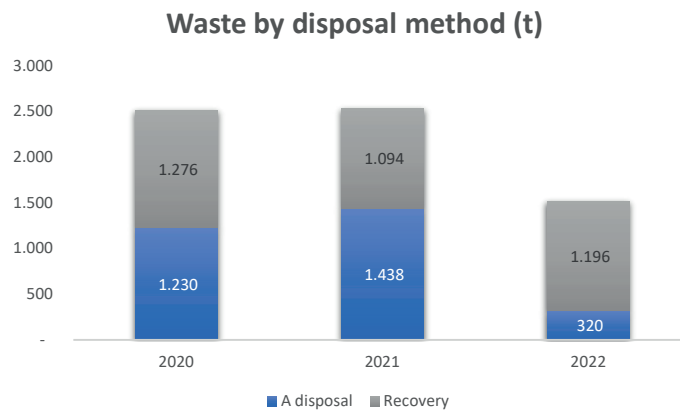
Waste generated



Waste generation at Belleli Energy CPE shows a split between hazardous and non-hazardous waste. In the three years considered, the quantity of hazardous waste was as follows:



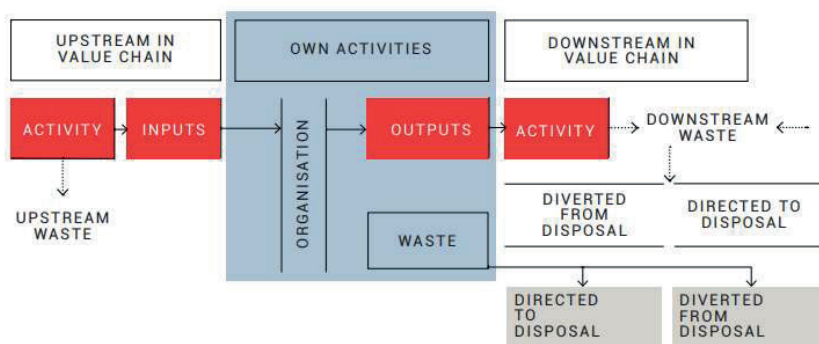
During the three years under consideration, the management of waste produced by Belleli Energy CPE was split between disposal and recovery. Here are the details:



Process flow



Belleli Energy CPE's process flow is characterised by a simple model, as the company does not recover waste produced by third parties. The process can be described as follows:



Water management



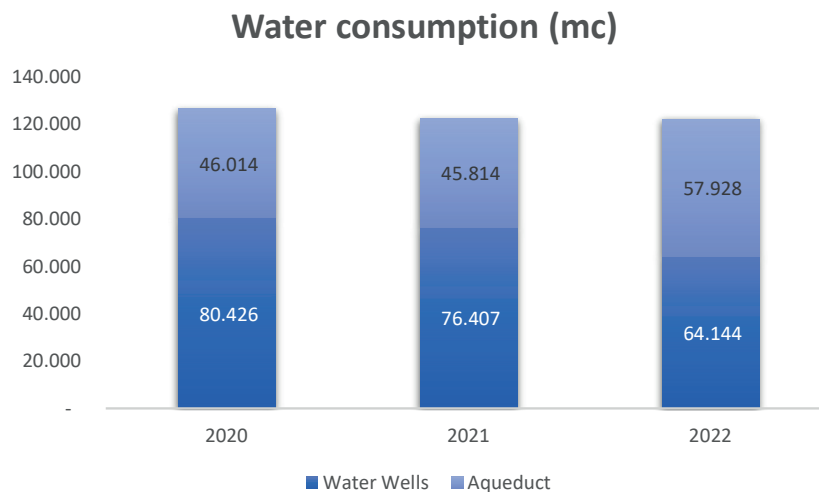
Belleli Energy CPE's production process does not require a lot of water, and therefore water supply and discharge are not critical aspects for the company. However, the company recognises the importance of water as a precious resource and is committed to managing its use in a sustainable manner.

One example of good practice concerns the water used for testing, which is collected and reused several times, thus reducing the impact on the environment and optimising the use of available resources.

In addition, the company is focusing its attention on the management of yard runoff, with the aim of not overloading the sewage system, if present, and limiting the impact on the surface water quality of neighbouring water bodies.

With regard to drinking water consumption within the company, Belleli Energy CPE has already implemented measures to reduce its use. A modernisation of the sanitary fittings and taps has been carried out, including the installation of reduced-consumption jet breakers. This initiative has helped to reduce the consumption of drinking water in the company's canteen and toilet facilities.

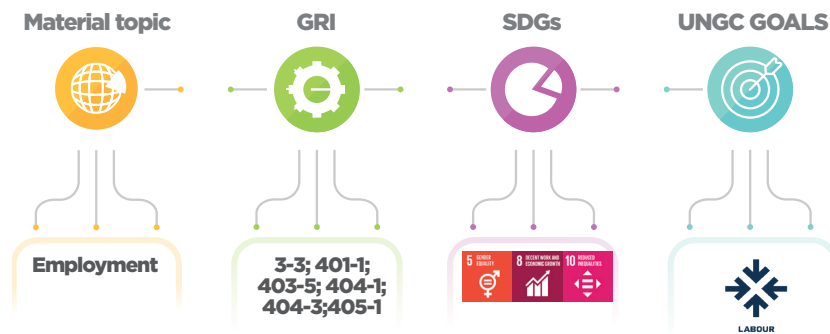
The figures show water consumption in cubic metres (mc) from two distinct sources: water from wells and water supplied by the aqueduct.





PEOPLE

The workforce

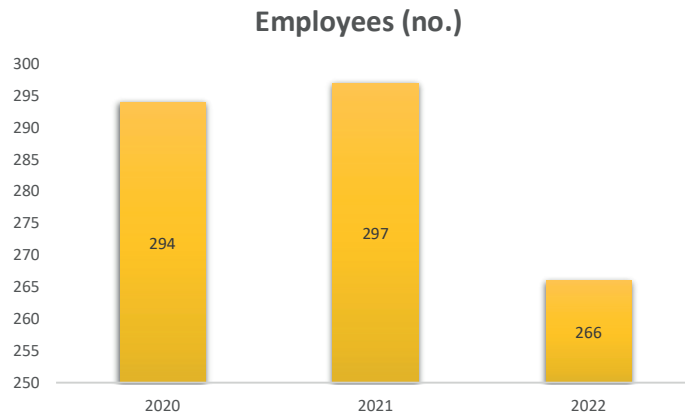


Belleli Energy CPE recognises the crucial importance of human resources and values the skills, abilities and passion of its employees. It considers people as the most valuable resource to meet the challenges in an ever-changing and increasingly competitive international environment and to create a sustainable future.

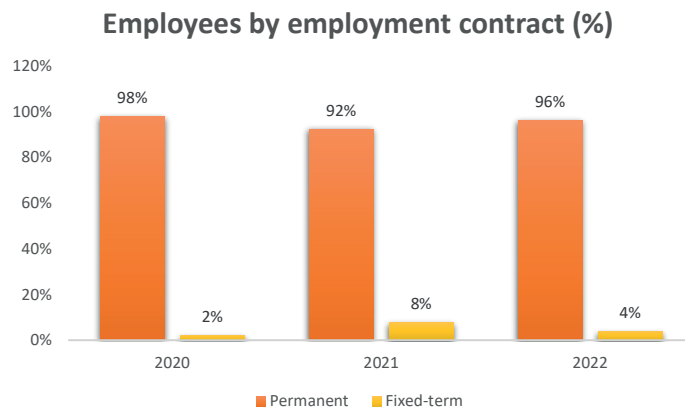
The company places people at the centre of its organisation, ensuring their respect and protection, following the same principles adopted by other companies within the Group. This commitment translates into corporate policies geared towards the well-being of employees, the promotion of a safe and inclusive work environment, and the creation of opportunities for professional growth and personal development.

Through the enhancement of human resources, Belleli Energy CPE aims to maintain a high level of professionalism and competence within the organisation, stimulating collaboration, creativity and innovation. The centrality of people is also reflected in the way the company addresses social and environmental challenges, demonstrating a commitment to sustainable and responsible progress.

As at **31 December 2022**, Belleli Energy CPE had **266** employees, a decrease of 10% from the previous year's workforce. This decrease can be partly attributed to the global phenomenon known as "The Great Resignation" or "The Great Abandonment" that took hold after the COVID-19 pandemic, during which many workers began to re-evaluate their career and life priorities. In addition, the pandemic gave people the time and space to reflect on their careers and what they really want. Some decided to pursue passions or interests that they were unable to pursue in the context of normal working hours. These changes in the labour landscape, together with the normal dynamics of staff turnover, explain Belleli Energy CPE's declining workforce. The company, aware of these trends, is working to adapt to this new context, re-evaluating its personnel policies and trying to create a more attractive and satisfying working environment.



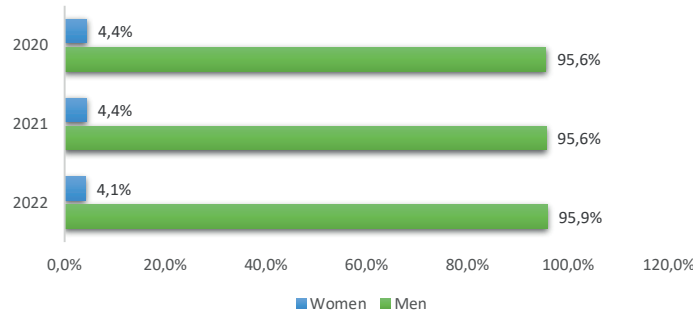
The figures for the three-year reporting period show a significant focus of the company on the **stability of employment** contracts, with 96% of the people employed on permanent contracts. This figure indicates that the majority of staff are employed on long-term contracts, offering stability and job security to employees.



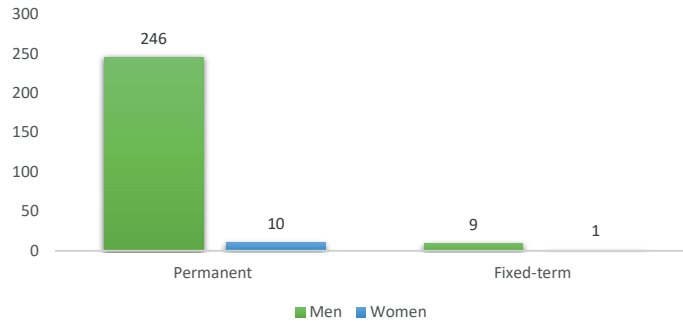
Furthermore, at the end of 2022, only three part-time employment contracts are active, which is a positive indicator for the company, as full-time employees can contribute more to productivity and continuity of business operations.

The distribution of personnel by gender at Belleli Energy CPE indicates a male predominance of employees, a common feature in the industrial sector in which the company operates. To obtain further details on the presence of women in the company and the company’s actual commitment to promoting gender diversity, please refer to the in-depth analysis in the section “Gender diversity”.

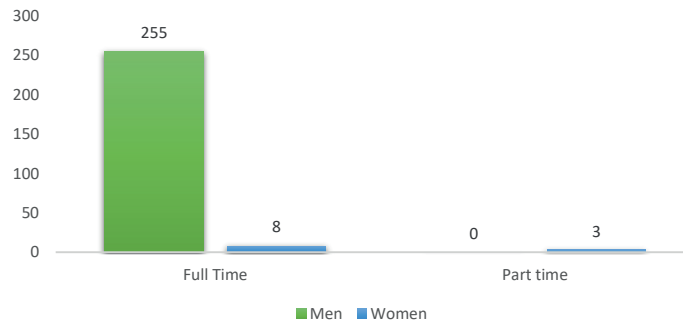
Employees by gender (%)



Employees by type of contract, by gender - 2022 - 2022 (No.)

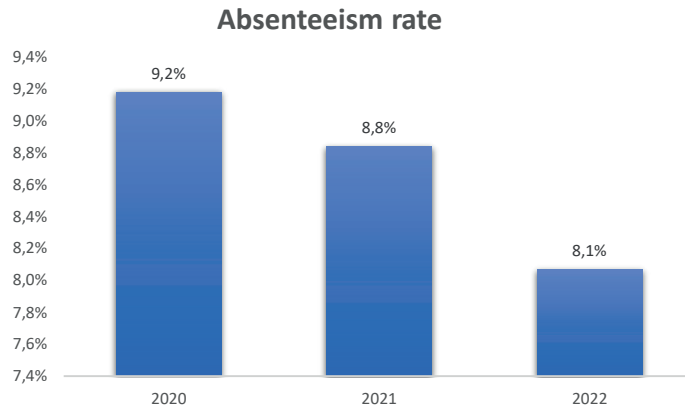


Employees by type of employment, by gender - 2022 (No.)



The **absenteeism rate** at Belleli Energy CPE is calculated as the ratio of employee absence hours to hours worked during the year. In 2022, the absenteeism rate was 8.1 per cent, which means that employees missed approximately 8.1 per cent of their scheduled working hours due to absences for illness, accidents or other reasons.

This value represents a slight decrease from the previous year, when the absenteeism rate was 8.8%. It is also noted that in 2020, the absenteeism rate had reached 9.2% due to the increase in absenteeism linked to the pandemic emergency.



Hours of absence for illness, accident, COVID leave, blood donation, Law 104, INPS extraordinary leave and paid leave for serious family reasons were included in the calculation.

Belleli Energy CPE guarantees that all its employees are covered by the National Collective Labour Agreement (CCNL) valid throughout the country. The reference company contract is the **CCNL Industria Metalmeccanica e della installazione di impianti**, which is applied to the majority of the company population. In addition, for Executive Personnel, the CCNL Dirigenti Industria is applied.

The company maintains an ongoing relationship with internal trade unions (RSU) through in-person meetings, with a total of six meetings during 2022. During these meetings, the parties discuss various company issues, such as workload, the recruitment plan, welfare and many other aspects.

This approach demonstrates the company’s attention and sensitivity towards its employees and trade union relations. By maintaining an open and constructive dialogue with the RSUs, Belleli Energy CPE seeks to address and resolve company issues in a collaborative and transparent manner, in compliance with the law and contractual regulations.

Workers who are not employees

2-8

The data concerning Belleli Energy CPE’s non-employee workers highlight some important considerations. Firstly, it emerges that the presence of coordinated and continuous collaborators (cococo) is significant, with a total of 4 people. This indicates that the company needed to resort to external figures to support specific activities, especially in strategic sectors such as R&D, the ITER project and production.

Another relevant aspect is the presence of trainees, which amounts to 15 people. It is good to note that the company offers training and professional development opportunities through internship programmes. However, it is also important to note that the majority of the trainees are men, with only one woman serving as an office trainee.

Finally, there are also 3 contract workers, i.e. workers supplied by staff leasing agencies. This indicates adequate human resources management to respond to work peaks or temporary needs. The number of non-employee workers at Belleli Energy CPE was calculated by adopting an averaging methodology over the period considered, which refers to the year 2022. This approach provides a representative snapshot of the presence of non-employee workers in the company's workforce throughout the year.

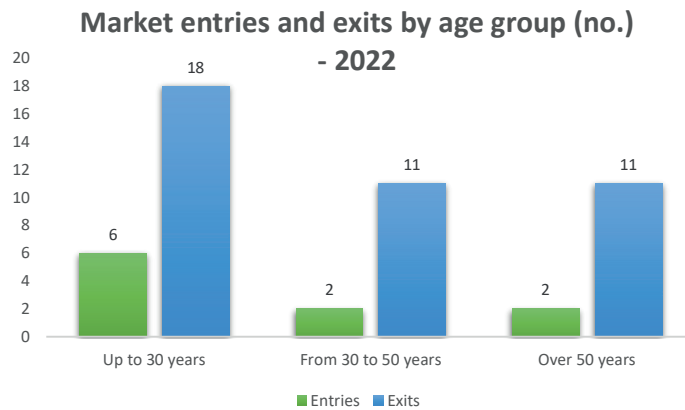
Overall, the presence of non-employee workers is a sign of organisational flexibility and attention to the need for specific skills. All persons involved, regardless of their employment status, are guaranteed fair treatment with opportunities for professional growth and development within the company.

New Employment



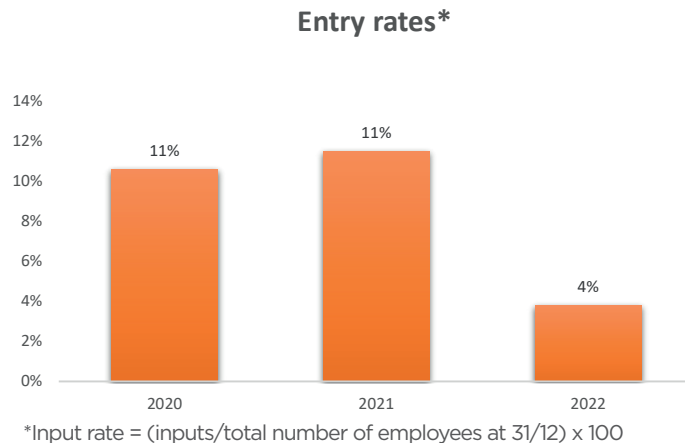
During 2022, Belleli Energy CPE recorded a total of **10 new hires** and 40 exits from the labour market. The following data refer to income and expenditure of employees only, to and from the outside.

New recruits were distributed among the different age groups as follows:

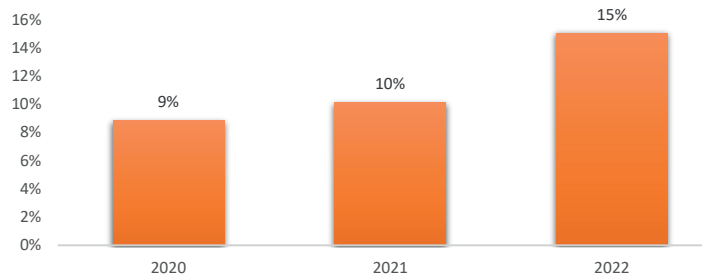


These data show that new hires were mainly concentrated in the younger age group, while exits affected all three age groups more evenly.

Entry and exit rates are calculated by relating the number of entries and exits in each category to the total number of employees in that category as at 31 December.



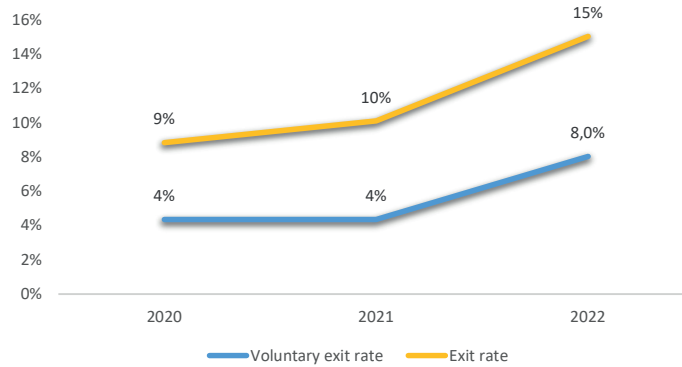
Exit rates*



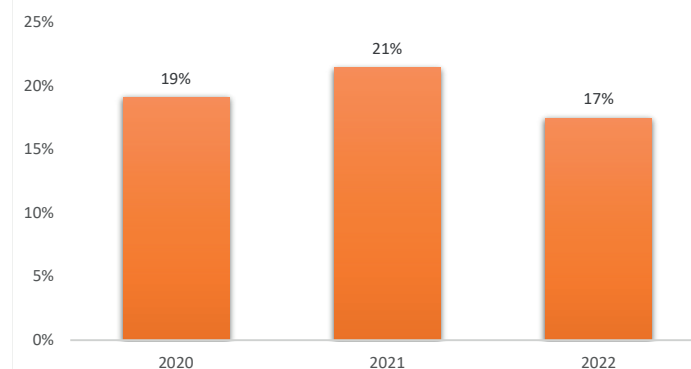
*Exit rate = (exits/total number of employees at 31/12) x 100

The data show that the largest number of terminations are due to voluntary causes (23), followed by retirements (3) and dismissals (7). Terminations due to natural expiry represent the third most common cause.

Exit rate



Staff turnover rate*



*Turnover rate = (Inputs + Outputs) / Average workforce

In 2022, the **turnover rate** dropped to 17%, representing a decrease from the previous year. Importantly, turnover is a common phenomenon in many organisations and can occur even when sound personnel management policies are in place. The company recognises that turnover can bring challenges, such as loss of knowledge and instability in work teams, however, it can also be viewed as an opportunity for growth and innovation. New people and new ideas enrich the company and help develop creative solutions to the challenges it faces.

Staff Enhancement

Belleli Energy CPE considers it fundamental to enhance human resources through **meritocracy**. This means that personnel are evaluated and recognised on the basis of their merit, skills and demonstrated performance, creating a motivating and rewarding work environment. This focus on enhancing the value of human resources contributes to creating a positive and stimulating work environment, fostering individual and collective growth in the company.

Unlike investment in machinery, which may have physical and technical limitations, investment in human resources has a theoretically unlimited potential response. This means that by investing in training, the company can achieve a high return in productivity and skills from its employees.

Investment in human resources training and development is considered of strategic importance to Belleli Energy CPE. This investment aims to cultivate and develop employees' skills and know-how, creating an organisation that continues to grow and improve through their achievements.

The remuneration policy



At the recruitment stage, Belleli Energy CPE adopts a remuneration policy based on **fairness** and on **valuing** the **skills and experience** of new employees. The definition of the Gross Annual Remuneration (RAL) and the level of employment takes place through a careful assessment of candidates' qualifications, specific knowledge and previous experience. This process aims to ensure fair remuneration in line with the value that each employee brings to the company and to create a working environment in which people feel motivated and recognised for their contribution.

During the career path, the evaluation of employee performance becomes a key element. Through carefully structured **annual evaluations**, the heads of each department assess the performance and progress of each employee. These evaluations help to identify strengths, development opportunities and areas where the employee could benefit from further training or experience. On the basis of these assessments, management can make decisions on career advancement, promotions or salary adjustments that reward the merit and commitment of employees.

The ratio of the annual total remuneration for 2022 of the highest paid person to the average annual total remuneration of Belleli Energy CPE employees is 3.6.

The ratio of the percentage increase in annual total remuneration for the highest paid person to the average percentage increase in annual total remuneration for all employees is 1.84 in 2022.

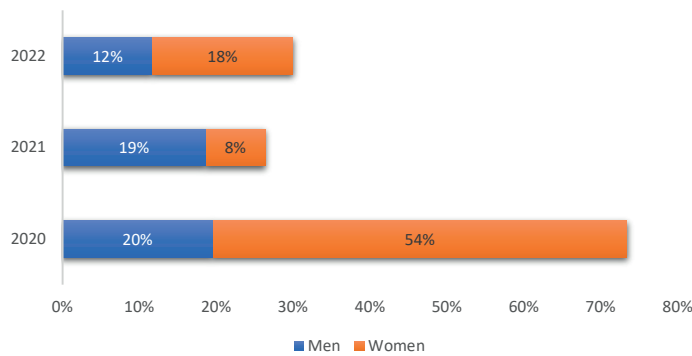
Staff appraisal and development

3-3 404-3

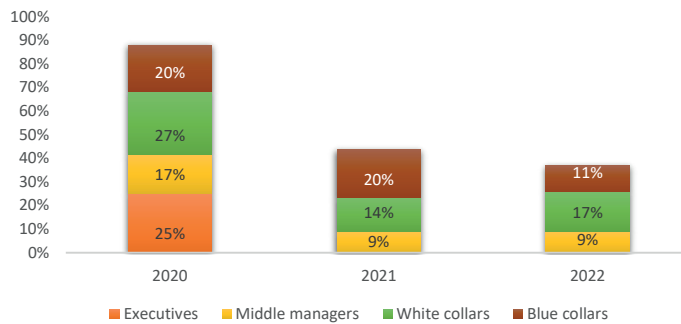
In Gruppo Tosto, merit is considered a fundamental element to guide managerial decisions and to incentivise employees to develop professionally and pursue career opportunities. To this end, remuneration systems are subject to periodic updates based on the recognition of results achieved, the quality of the professional contribution made and the growth potential of the individual.

During 2022, a total of 32 employees were evaluated, representing 12% of the total workforce, including Executives, office workers and factory workers. This evaluation process makes it possible to identify and reward those who have distinguished themselves for their commitment, competence and contribution to the company, providing them with opportunities for professional growth and advancement. Data show a higher participation of women in the evaluation in 2022 compared to the previous year.

Employees evaluated by gender (%)



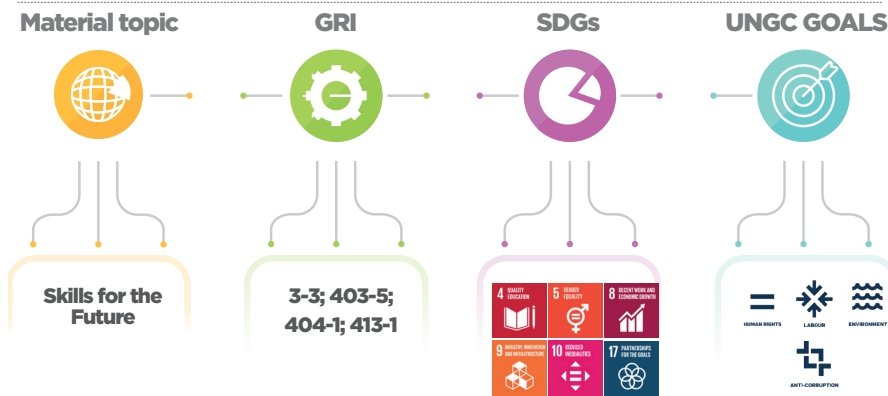
Employees evaluated by professional category (%)



By encouraging merit and talent, Gruppo Tosto creates an environment in which employees can feel valued and motivated to give their best, contributing to the company's overall success. This focus on performance assessment helps consolidate a corporate culture based on excellence and individual and collective growth.

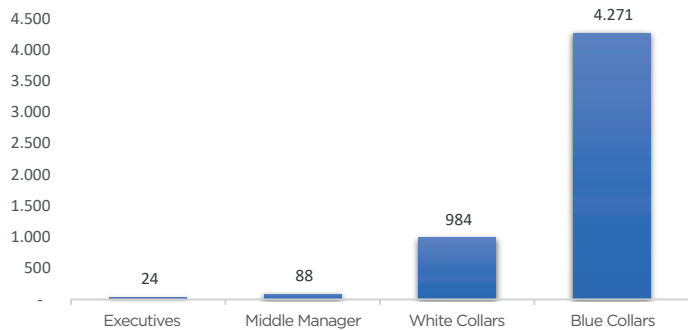
Training

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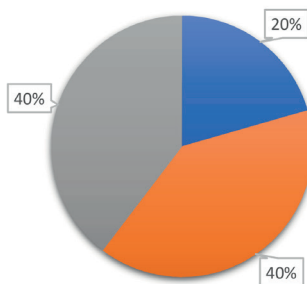
In 2022, Belleli Energy CPE provided a total of 5,367 hours of training. This translates into an average of about 20.2 hours of training per employee. It was observed that on average, men received about 20 hours of training, while women received an average of about 23.5 hours of training. Among the different categories of employees, blue collar workers benefited the most from training activities, with an average of about 22.2 hours of training per worker.

Training hours by professional category - 2022



In 2022, Belleli Energy CPE’s training plans showed significant growth over the previous year. Technical and professional training activities increased significantly from 396 hours in 2021 to 1,102 hours in 2022. This suggests an increased commitment to the acquisition of specific and professional skills for employees. Health and Safety training continued to be a priority for the company, with a total of 2,137 hours provided in 2022, compared to 2,064 hours in 2021. This investment also had a positive impact on the accidents recorded during the year, demonstrating the company’s focus on the safety of its employees (see ‘Together in safety’).

Training by areas of intervention (%)



■ Technical-Professional Training ■ Health and Safety Training ■ General Training

Corporate performance training, which includes topics such as ethics and financial results, also remained consistent with 2,128 hours delivered in 2022, compared to 2,376 hours in 2021.

Training for the growth of young people

3-3

413-1

Interestingly, the Belleli Energy CPE Group has identified a shortage of skilled workers as one of the main challenges in recruiting personnel. This shortage can be due to several factors, including the changing skills required in the industry and the lack of qualified candidates.

To address this situation, the Group has adopted a proactive approach and decided to intervene on the local school supply front. This strategy aims to promote educational and training programmes aimed at developing the skills of young people, so as to prepare them adequately for the needs of the labour market and, at the same time, foster the socio-economic development of the local community. The integration of the local educational offer means that the company is collaborating with local educational institutions, such as schools and vocational institutes, to develop curricula and training courses in line with the skills required by the industrial sector. This will enable young people to acquire the necessary skills to become skilled workers, thus helping to bridge the gap between demand and supply of qualified personnel.

This initiative has the dual benefit of supporting human resource development in industry and promoting economic development at the local level, creating job opportunities and contributing to community growth. Furthermore, investing in the training of young people can have a positive impact on their future employability and professional careers by providing them with the skills required by an ever-changing labour market.

Alternating School Work

For years, Belleli Energy CPE has opened its doors to students from technical and professional institutes and high schools in the Mantua area for the alternation school-to-work experience. This initiative demonstrates the company's commitment to contributing to the education of young people and promoting practical and concrete training courses. By welcoming students for alternation school-to-work activities, the company offers them the opportunity to work alongside technical experts in different functional areas. This allows the students to acquire practical skills and get a direct insight into the world of work, supplementing their schooling with experience in the field. The fact that the training courses can continue for up to 400 hours is particularly significant, as it gives the students in-depth and structured experience.

This initiative benefits both the students who participate (in 2022, 7 students took part in the initiative), as they have the opportunity to develop their professional skills and learn more about the industry, and the company itself, as it can count on enthusiastic and motivated young talents who could become future resources..

Welding School

The professional training initiative for welders organised by Belleli Energy CPE is a crucial aspect of meeting the need for specialised personnel in the welding process, which is at the heart of the company's production activities. Due to the ever-increasing number of orders awarded, the training of qualified operators has become essential to guarantee the quality and efficiency of production processes.

The training courses are held **twice a year** and last 220 hours, with a split between practical training and classroom lessons. This approach aims to provide participants with a comprehensive and balanced preparation, combining theoretical skills with practical experience in the field.

The initiative is aimed at young people aged between 18 and 26 who have completed compulsory schooling, offering them a concrete opportunity to enter the world of work and develop professional skills in the welding sector. The results of the initiative are very positive: around 80% of the participants successfully complete the training course, demonstrating a high level of interest and commitment. Moreover, 50% of the participants are subsequently integrated into the company's workforce, which testifies to the success of the programme and its effectiveness in training new resources for the company. The participation of 35 young people in 2022 highlights the attractiveness and value of the vocational training initiative for welders, both for young people seeking job opportunities and for the company that needs new, highly qualified resources to support its growth and compete in the market.

“Critical process equipment expert” advanced training course

The Tosto Group has a long tradition and vocation for training to meet the needs of companies in the sector, which require highly qualified professionals with specific skills.

In 2020, Belleli Energy CPE organised the first edition of the ‘Critical process equipment expert’ advanced training course in collaboration with the University of Modena and Reggio Emilia and the UniverMantova Foundation. The training programme is designed to prepare highly qualified professionals in the design and production of critical process equipment in different specialised areas such as Technical Office / Engineering, Product Quality Control / Welding Engineer, Quality Assurance, R&D, Industrial Programming and Planning, Buyer, Proposal/sales.

The ‘Critical process equipment expert’ training course is divided into several stages:

- First phase: Theoretical lessons with reimbursement of expenses lasting approximately 6 months and totalling 900 hours. During this phase, students attend lectures given by university lecturers and industry experts from leading companies in the sector. The course includes 15 training modules, exercises and tests to assess the knowledge acquired. Participants are paid ‘pocket money’ with an internship contract.
- Second phase: Paid traineeship lasting approximately 6 months and with a total of 1,000 hours. During this phase, participants undertake an intensive programme at Tosto Group companies with the support of a tutor.
- Third phase: At the end of the placement, participants can be hired on a fixed-term basis for a duration of 1 year.
- Fourth phase: Upon completion of the fixed-term contract year, participants can be hired on a permanent basis.

Finally, the training prepares participants to obtain the title of International Welding Engineer, recognised by the EWF (European Welding Federation) and the IIW (International Welding Institute).

The next edition is planned for 2023

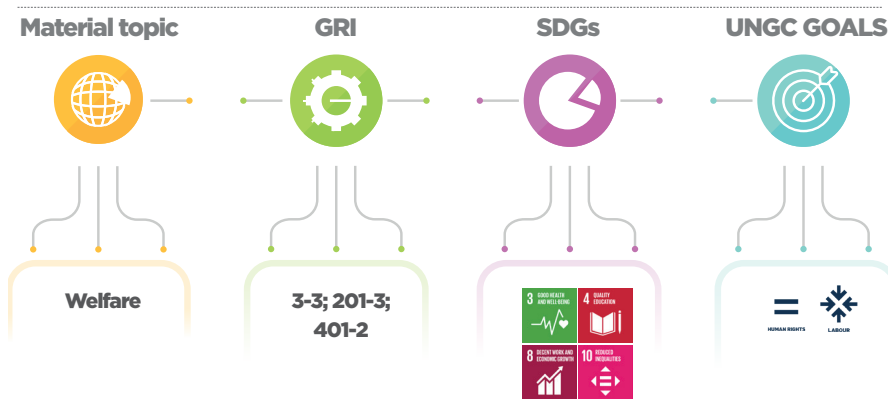
Internship

Belleli Energy CPE actively promotes collaboration with university students through internship programmes and thesis support. The aim is to facilitate the exchange of know-how between the company and the academic world, promoting a synergy between company skills and university research.

The company enters into or renews agreements with selected universities (UniMore, UnivAQ and PoliMI), defining internship plans and dissertation projects that are relevant and in line with the company’s needs. University students have the opportunity to carry out internships at Belleli Energy CPE, gaining practical experience and applying the theoretical knowledge learnt during their studies.

In addition, the company offers active support to students who intend to carry out their dissertation in areas related to the company’s activities. This support can include access to company data and information, supervision by industry experts and the opportunity to work in a stimulating and innovative professional environment.

People’s Well-being



Belleli Energy CPE demonstrates a strong commitment to the well-being of its employees through a wide range of **welfare initiatives**, which include benefits and recognition aimed at improving the quality of life of both employees and their families.

The welfare policies implemented by the company are key to attracting and retaining talent, reducing turnover and the costs associated with training and induction of new employees. In addition, attention to health and well-being results in a reduction in absenteeism, which has a positive impact on overall productivity.

Welfare initiatives foreseen in the new CCNL Metalworking Industry for the year 2022:

Belleli Energy CPE shows great care towards its employees by allowing them to express a personalised choice as to how they receive the value of €200.00. This is a sign of trust and respect towards the individual preferences and needs of employees.

Offering different options, such as petrol vouchers, shopping vouchers, the possibility of allocating the amount to the Cometa supplementary pension fund and Metasalute, gives employees the freedom to select what best suits their needs and personal priorities.

This flexibility in the use of the amount contributes to improving the financial well-being of employees and promoting a more satisfying working environment.

Furthermore, the inclusion of Metasalute among the options highlights Belleli Energy CPE's focus on the health and well-being of its employees, offering them the possibility of investing in supplementary healthcare. This initiative helps to ensure that any medical expenses are covered and to promote a better quality of life for employees and their families.

Supplementary pension provision

Supplementary pension funds are an important tool to guarantee Belleli Energy CPE employees greater financial security and a more serene future after the end of their employment. In addition to individual employee contributions, the company also contributes to these funds, as required by the National Collective Labour Agreement (CCNL). This company policy is a tangible demonstration of the company's commitment to the well-being and financial stability of its employees, providing them with the opportunity to build an adequate supplementary pension for their future retirement.

Company canteen

Belleli Energy CPE demonstrates its focus on employee well-being by offering a canteen service at its company headquarters in Mantua. This service is available to all employees who request it and represents an opportunity for them to enjoy healthy and balanced meals during the working day.

The cost of the meal is only EUR 0.50, making the canteen service very affordable and advantageous for employees. This initiative helps promote a positive working environment and encourages **socialisation** between colleagues during mealtimes, encouraging greater cohesion within the company.

Free accommodation for employees on loan

Belleli Energy CPE demonstrates a strong focus on the needs of its employees by offering them the opportunity to use the company guesthouse. This initiative is aimed at employees whose place of residence is significantly distant from the company headquarters, making the daily journey from home to work difficult or expensive.

The guesthouses offered are accommodation with all the necessary services and are located close to the production facilities, making it easier and more comfortable for employees to stay. This opportunity allows them to reduce their travel time, avoiding long daily commutes and the resulting stress of travelling.

Bonus 600 euro

With the '**Aiuti bis**' decree, the government introduced an important measure to support companies in providing additional support to their employees during this difficult economic period. Thanks to this provision, companies were able to provide their employees with a specific **benefit**, aimed at covering **household expenses**.

The Group decided to adopt this measure, demonstrating its commitment to supporting the well-being of its employees and creating a working environment that promotes employee well-being and satisfaction. This benefit has made a significant difference in the lives of employees, providing real relief in household expenses and helping to strengthen the bond between company and employees.

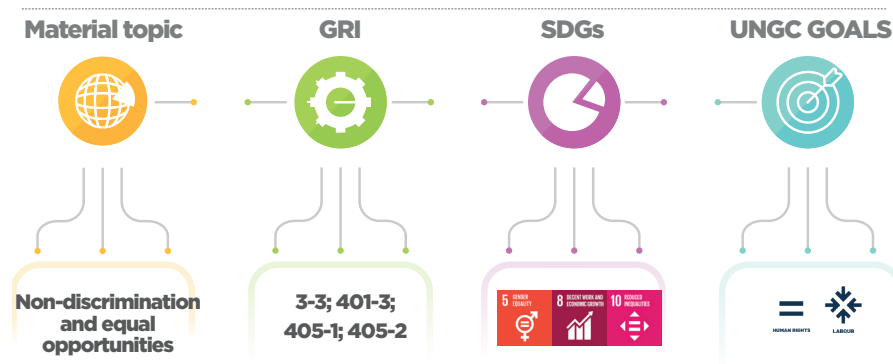
Agreement with Credem Banca S.p.A.

The Group has entered into an agreement with Credem Banca S.p.A. with features and benefits for its employees. Through this partnership with Credem Banca, all employees have access to a range of **customised financial services** designed specifically to meet their needs and requirements. The agreement offers special conditions and facilities for opening current accounts, credit cards, loans and other financial solutions. It is the Group's goal to continue to seek innovative solutions and to promote an inclusive and fulfilling working environment for all team members.

CAF Coldiretti Mantova Convention

With the aim of providing comprehensive assistance to its employees, Belleli Energy CPE has set up a tax assistance service as part of its corporate welfare programme. Thanks to the agreement stipulated with CAF Coldiretti of Mantua, employees have access to a professional support service in the compilation and submission of tax declarations, thus guaranteeing easy and accurate management of their taxes. This initiative demonstrates the company's attention to the wellbeing and needs of its employees, providing them with a practical and useful tool to simplify tax paperwork and guarantee peace of mind during the tax declaration period.

The value of diversity



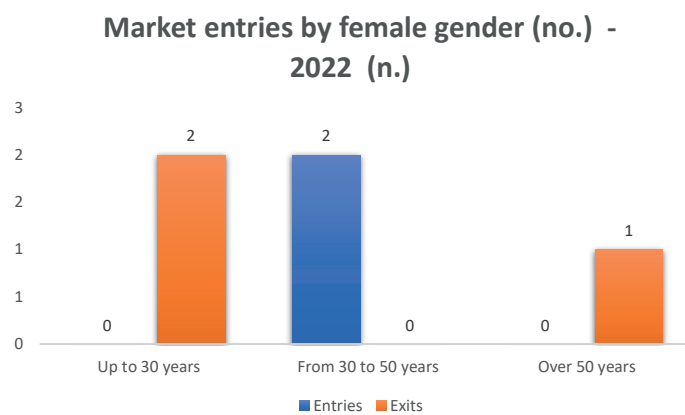
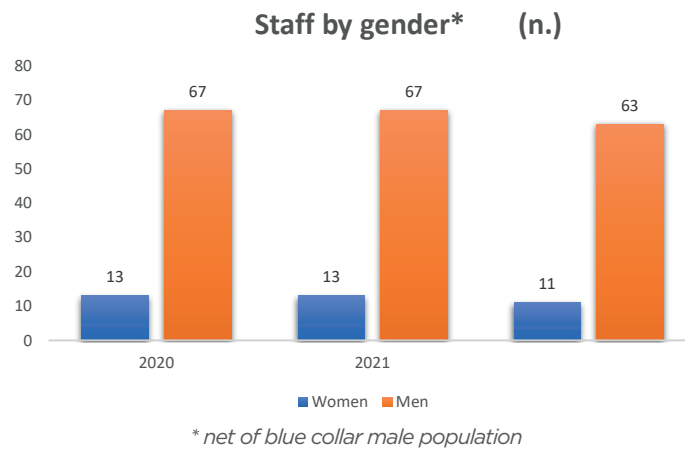
Belleli Energy CPE is committed to the principles of the Global Compact, the United Nations initiative to promote and encourage respect for human rights, labour standards, the environment and the fight against corruption in business. In line with the principles of the Global Compact, the company recognises **diversity as a strategic element for business competitiveness and the development of its people**. Any form of discrimination based on personal characteristics such as gender, age, ethnic or national affiliation, skin colour, state of health, physical or mental abilities, marital status, sexual orientation, religious beliefs, political opinions and social origin is rejected. Belleli Energy CPE is committed to developing and maintaining an **inclusive working environment, free from all forms of violence or harassment**, thus ensuring **respect for human rights** and promoting an **ethical and sustainable corporate culture**.

Gender diversity



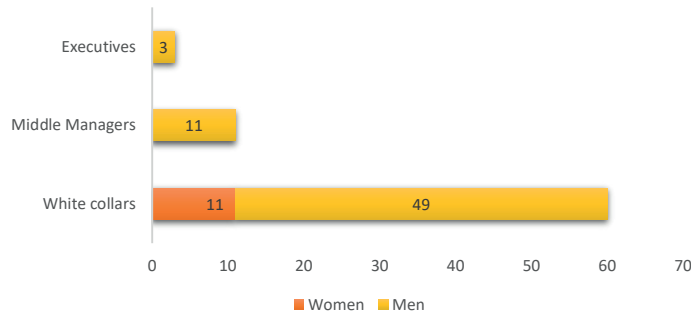
In the Belleli Energy CPE business context, the presence of women has historically been lower than that of men, especially in the more operational professions typical of the sector. This has been influenced by the traditional scarcity of female labour supply in these specific positions. However, it is important to emphasise that the company is closely monitoring the situation and trying to adopt strategies to promote greater inclusion and diversity. For this reason, the female presence is analysed net of the so-called blue collar corporate population.

In 2022, **female employees** accounted for **11**, a decrease of 15% compared to the previous year. These 11 resources make up 15% of the company workforce taken into account, remaining stable compared to the 2021 figure. To promote female participation, Belleli Energy CPE has implemented part-time contracts, which are 100 per cent utilised by the female population. This initiative is a step forward in offering more flexible work options for women, allowing them to reconcile family and work responsibilities.



The data show a male predominance in middle manager and executive positions, while the white collar category sees a presence of both women and men, with a slight male majority.

Distribution of personnel by gender - 2022 (No.) (n.)

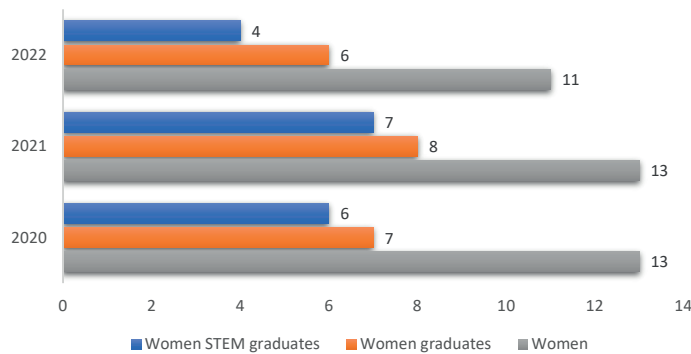


Women STEM (Science, Technology, Engineering and Mathematics)

As early as the age of 6, boys and girls begin to develop career aspirations influenced by gender stereotypes, which can have a significant impact on their future choices. To address this challenge and reduce the gender gap, Belleli Energy CPE has adopted a company policy focused on attracting female talent from STEM (Science, Technology, Engineering and Mathematics) disciplines.

The data on the number of women in the Group over the years show an ongoing commitment to promoting the employment of women and female graduates in STEM disciplines. Although the number of women has decreased slightly over the years, the Group continues to invest in the enhancement of women’s skills. The number of women graduates in STEM disciplines is particularly relevant, as it demonstrates the company’s attention and support for women who choose to specialise in scientific and technological fields.

STEM women (n.)



An important step forward is the group’s willingness to work on career guidance for girls approaching the end of secondary school. The company offers them the opportunity to gain hands-on experience in the world of science, technology and engineering professions through company visits led by female tutors. These visits aim to stimulate girls’ curiosity about these topics and make them aware of the new job opportunities linked to the 4.0 revolution and the energy transition.

Parental/maternity leave

Belleli Energy CPE, along with all the companies in the Tosto Group, scrupulously complies with legal regulations on parental leave and childcare leave. In Italy, employees who are parents of children up to 12 years of age are entitled to an additional period of time off work to care for their children.

The company demonstrates a strong commitment to role interchangeability and does not discriminate in any way against those who have taken maternity or paternity leave. This policy highlights an inclusive and equal vision that recognises the importance of parental roles and promotes a fair working environment for all employees.

Data on the number of employees and hours used for childcare in 2022 show a balanced distribution between men and women. Both fathers and mothers took paternity leave and optional maternity leave, and the number of hours used is well distributed between the two genders. Overall, in 2022, 1,027 hours of paternity leave and 208 hours of maternity leave were requested and used, with a total of 1,235 hours of parental leave.

In addition, the company offered COVID parental leave to one employee, demonstrating flexibility and sensitivity to the needs of workers during exceptional periods such as the pandemic.

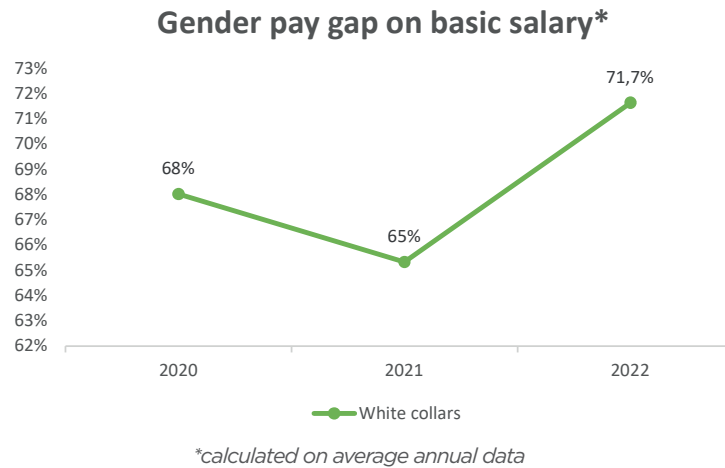
| 2022 | Men | Women | Total |
|---------------------------------------|------------|--------------|--------------|
| <i>Paternity Leave Mandatory</i> | 9 | | 9 |
| <i>Hours</i> | 728 | | 728 |
| <i>Paternity Leave Optional</i> | | | |
| <i>Hours</i> | | | |
| <i>Compulsory Maternity Leave</i> | | | |
| <i>Hours</i> | | | |
| <i>Optional Maternity Leave</i> | 1 | 1 | 2 |
| <i>Hours</i> | 40 | 144 | 184 |
| <i>Breastfeeding</i> | 1 | | 1 |
| <i>Hours</i> | 243 | | 243 |
| <i>pnr illness child < 3 years</i> | | | |
| <i>Hours</i> | | | |
| <i>pnr illness child > 3 years</i> | 1 | 1 | 2 |
| <i>Hours</i> | 16 | 40 | 56 |
| <i>Covid parental leave</i> | | 1 | 1 |
| <i>Hours</i> | | 24 | 24 |

During 2022, one employee took parental leave and one employee returned to work after taking parental leave, resulting in a 100% return-to-work rate. The retention rate cannot be calculated as the total number of employees who returned to work following parental leave in the period prior to the reporting period is zero.

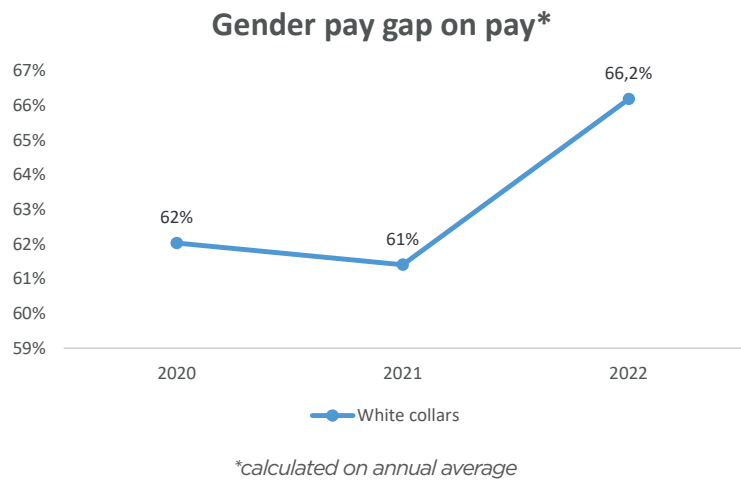
Gender pay gap

Based on the data provided, it is evident that Belleli Energy CPE is making significant efforts to **monitor and reduce the gender pay gap** within the company. The gender pay gap is the pay difference between women and men, and the company’s goal is to reduce these differences to zero in order to promote gender equality.

For white collars, the ratio of women’s to men’s basic salary went from 68.0% in 2020 to 65.3% in 2021, and then increased to 71.7% in 2022. Although there has been a slight change over the three-year period, the company is still working to further reduce the pay gap and move closer to wage equality.



In addition to the basic salary ratio, the company also monitors the women/men pay ratio, which takes into account other elements of pay in addition to the basic salary. Here again, one can see an ongoing effort by the company to maintain a gender pay balance: for white collars, the women/men pay ratio increased from 62.0% in 2020 to 61.4% in 2021, and then to 66.2% in 2022.

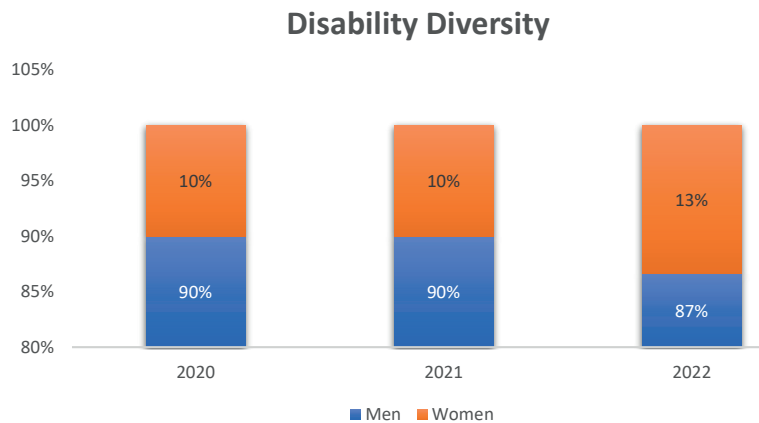




Disability diversity

Belleli Energy CPE’s commitment to the inclusion of people with different abilities is evident, with 6 per cent of its total workforce made up of individuals with disabilities or belonging to protected categories. This demonstrates the company’s focus on diversity and inclusion, creating employment opportunities for people with different abilities and helping to reduce barriers to employment for these categories.

The distribution of employees with disabilities or belonging to protected categories in white collar (20%) and blue collar (80%) positions reflects a desire for inclusion at all levels of the organisation. This underlines how the company is trying to ensure that all areas of the company are open to individuals with different abilities, providing opportunities for professional development and growth.



Promoting the inclusion of people with different abilities is a sign of social responsibility and a commitment to building an inclusive work environment, where everyone has the opportunity to make their own contribution and realise their potential.



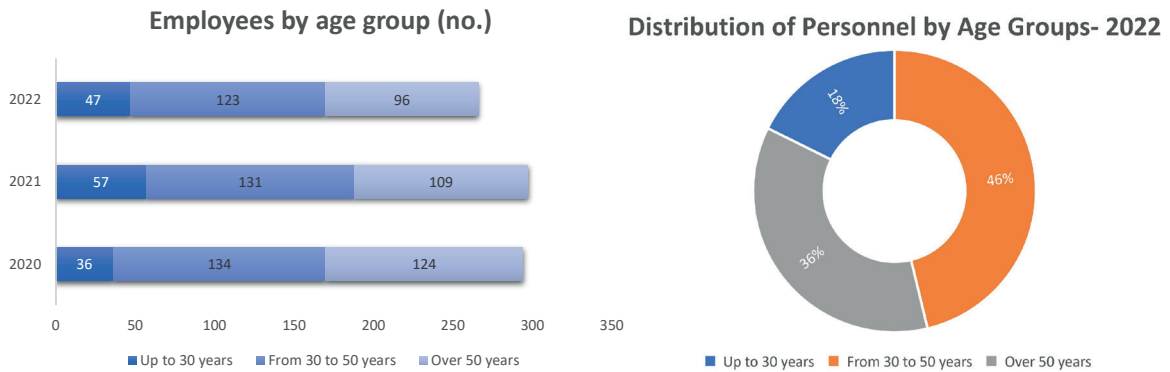
Age diversity

Belleli Energy CPE operates on a global scale, relying on employees with a wide diversity of age and geographical origin. **The heterogeneity** of Belleli Energy CPE’s **employees** represents a valuable asset for the company, as it allows for different perspectives, complementary knowledge and a more stimulating and innovative working environment. Generational diversity, in particular, offers a unique opportunity for the exchange of knowledge between different age groups.

The distribution of personnel over the last three years shows a stable age distribution, with a higher concentration of employees in the **mid-30s to 50s age group**, which will make up 46% of the total number of employees in 2022. This balance between the different generations allows for an adequate transfer of know-how from the most experienced employees to younger ones, creating an environment of continuous learning and sustainable professional development.

The average age of the employees, 45, indicates a balanced mix of skills and experience, which can help to ensure business continuity and improved company performance.

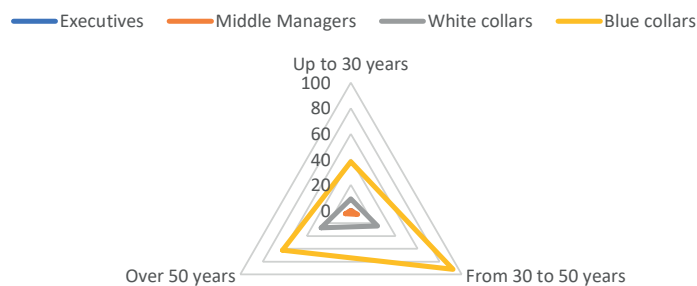
Valuing generational diversity is a winning approach for the company, as it allows capitalising on skills acquired over time, while at the same time paving the way for innovation and the adoption of new ideas and perspectives.



Based on data as of 31 December 2022, the company shows a relatively balanced distribution of age groups within the different professional categories. This age heterogeneity within each category can foster the exchange of knowledge and skills between the different generations, promoting an inclusive and stimulating work environment.

It is possible to observe a greater presence of young people (up to 30 years of age) among employees in 'White collar' and 'Blue collar' positions, indicating a focus on hiring new talent and young professionals. At the same time, the presence of experienced and skilled workers (over 50 years old) in the 'Executive' and 'Middle Manager' categories contributes to stability and leadership within the company.

Staff distribution by age group and category



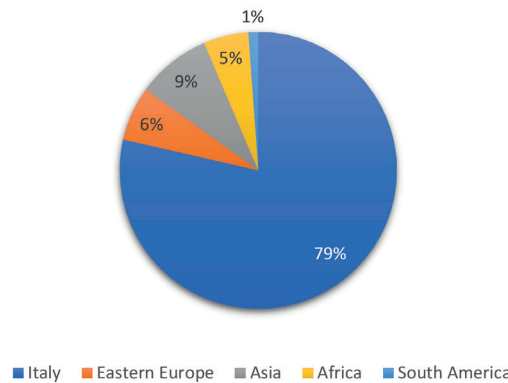
Cultural diversity

The companies of the Tosto Group operate in a multinational perimeter with a team made up of employees from the countries in which they are present with their own operating entities, but also welcoming people of different nationalities who express diversity of religion, language and culture. The heterogeneity of nationalities among Gruppo Tosto employees represents a fascinating challenge and a unique opportunity for the company.

The presence of employees from different parts of the world offers a broad spectrum of views, experiences and approaches, which can greatly enrich the working environment and foster innovation. Different cultural perspectives can lead to creative solutions and a greater understanding of customer needs in international markets

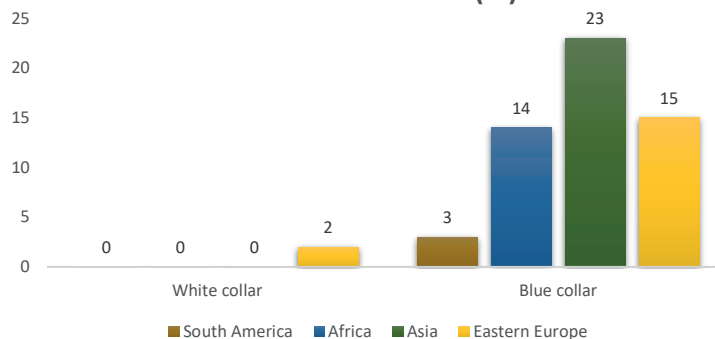
The number of nationalities of employees in 2022 is 23 and is distributed as follows:

Staff by geographical diversity - 2022 (%)



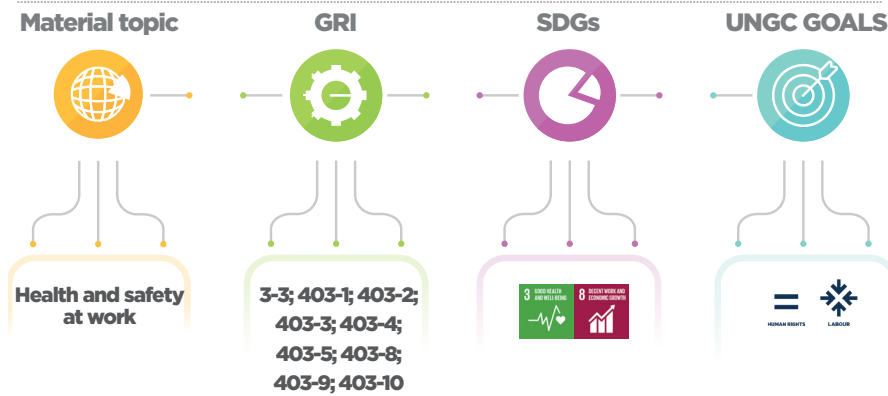
The distribution of employees with different nationalities by job classification and geographical area shows a significant presence of employees from Eastern Europe and Asia, covering a variety of roles, from white collar to blue collar. This diversity may lead to greater flexibility and adaptability of the company to regional markets and needs.

Staff distribution by foreign nationality - 2022 (no.) (n.)



Valuing this diversity and managing it carefully allows one to gain a competitive advantage, promote an inclusive work environment and build a cohesive and collaborative team.

Together in Safety



In addition to the primary importance of ensuring productivity, efficiency, and a pleasant and stimulating environment, the companies of the Tosto Group cannot help but consider the **safety culture** as the basis of the organisation.

The company invests energy and resources in protecting health and improving safety in the workplace, adopting advanced management practices and systems to safeguard its employees and third parties involved in company activities. The main activities of the HSE ‘Pillar’ can be summarised as follows:

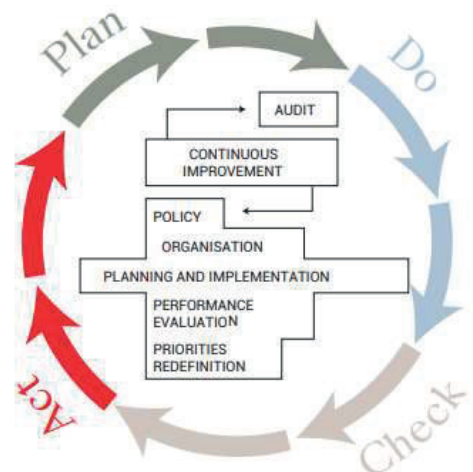
- Analysis of events;
- Risk identification and assessment;
- Internal audits;
- Technical improvements on machines and in the workplace;
- Education, training and control.

Ownership therefore believes that occupational health and safety management is not a cost or a mere fulfilment of legal requirements, but an important process for company management, an integral part of the business model.

Occupational Health and Safety Management System



The method of implementation of the HSE Pillar is systemic and takes place through PDCA logic (Plan, Do, Check, Act).



The HSE Pillar organisation is based, like all management systems, on an improvement process that must include the following elements in order to be efficiently managed:

- Work Instructions containing the method and instructions for performing the tasks deemed critical
- An Auditing System;
- Standards against which to monitor improvement..

In parallel, the following points must be guaranteed:

- **Involvement of all employees:** the successful implementation of the system depends on achieving an awareness that responsibilities are collective;
- **Communication and training:** safety also stems from the proper management of communication, training and information;
- **Skills:** staff must be properly trained.

The planning of HSE activities is structured in the following points:

- Identification of the main hazards;
- Assessment of relative risks;
- Identification of improvement actions;
- Identification of KPIs (Keys Performance Indicators) for continuous monitoring of activities.

The implementation of the planned activities and the adoption of specific procedures and work instructions will allow::

- The control of workstation risks, with subsequent elimination or reduction of residual risk;
- The correct handling of Process/Product changes and the consequent application of countermeasures;
- The support and dissemination of the culture of Health and Safety, as well as respect for the Environment.

Belleli Energy CPE S.r.l.'s adoption of the **ISO 45001** health and safety management standard in 2022 represents an important commitment to ensuring a safe and healthy working environment for all employees and non-employee workers. This management system helps the company to proactively identify and address potential health and safety risks and hazards in the workplace.

By implementing this standard, the company demonstrates its responsibility and concern for protecting the health and safety of its employees, suppliers, and other collaborators working on company premises. This helps to create a safer working environment, reducing the risk of work-related injuries and illnesses.

Furthermore, obtaining ISO 45001 certification improves internal and external communication about the company's health and safety performance. The company can demonstrate to stakeholders, including customers and investors, its commitment to employee welfare and workplace risk mitigation. This helps to strengthen the company's reputation and increase customer and investor confidence in the brand and its products and services.

A particularly important aspect of Belleli Energy CPE S.r.l.'s health and safety policy is the consideration of non-employee workers, such as contractors. The company is committed to ensuring that these employees also receive an appropriate level of health and safety protection while carrying out their activities at company premises. This includes technical and professional suitability checks and the promotion of coordination to prevent interference risks between different activities.

Workplace Risks



The company's processes for identifying hazards and assessing health and safety risks in the organisation's workplaces are carried out taking into account the standards of good engineering represented according to UNI standards, the legal requirements relating to the laws and decrees of the Italian state, and the company's experience in terms of the frequency, severity and magnitude of events that have occurred in the last 20 years.

The expert judgement, linked to the hazard identification and risk assessment process, is drawn up by the HSE function involving all senior figures.

The organisation has an appropriate procedure for the investigation of accidents, incidents and near misses, so as to ensure continuous improvement through risk reduction at source.

In particular, the following prevention and protection measures are taken:

- DPI for residual risks
- Collective protection measures
- Replacement of what is dangerous with what is not or less dangerous.

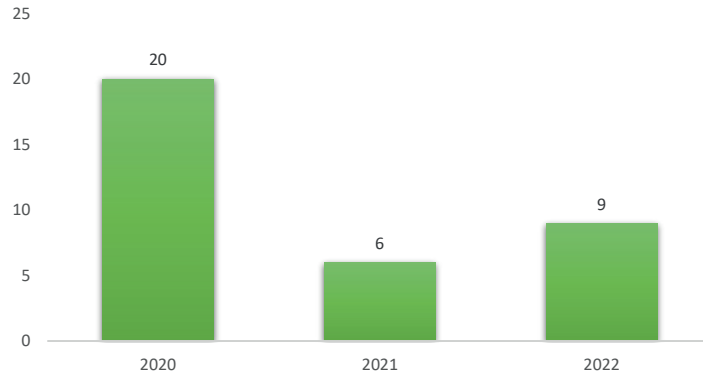
The presence of a Management and Control Organisational Model (MOG) pursuant to Legislative Decree No. 231/01 is a testament to Belleli Energy CPE's commitment to promoting ethical and responsible behaviour within the company. The purpose of this model is to prevent the commission of offences by those involved in the company's activities and to guarantee transparent management that complies with current regulations.

The inclusion of Health, Safety, and Environment (HSE) issues within the MOG underlines the importance the company attaches to the health and safety of employees and other collaborators. The quarterly review of safety indicators and the continuous monitoring of HSE activities allow the company to promptly identify any critical issues or risks related to safety in the workplace and take corrective measures to prevent or mitigate them.

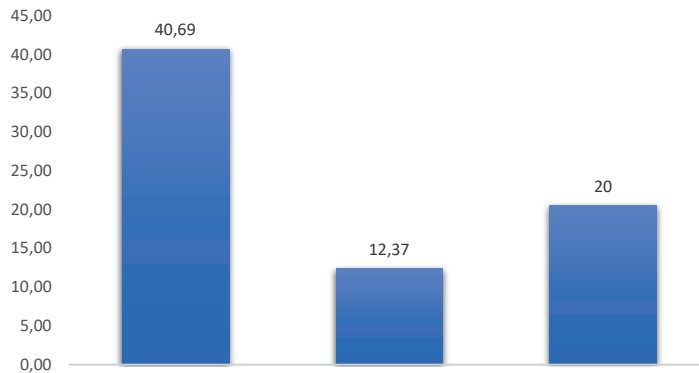
Furthermore, the organisational model of Management and Control underlines Belleli Energy CPE's focus on compliance with legal regulations and industry best practices. This contributes to creating an ethical and responsible working environment, promoting a culture of legality and preventing the risk of committing crimes.

Occupational accident figures reveal an evolution over the years and reflect Belleli's efforts to improve safety in the workplace. The **reduction in the total number of accidents** and the **absence of fatal accidents** are positive results that demonstrate the company's commitment to ensuring a safe working environment for its employees. However, it is clear that there is still room for improvement, as indicated by the Frequency and Severity indices, and Belleli should continue to devote attention and resources to achieve the goal of an even safer and injury-free working environment.

Workplace Accidents (no.)

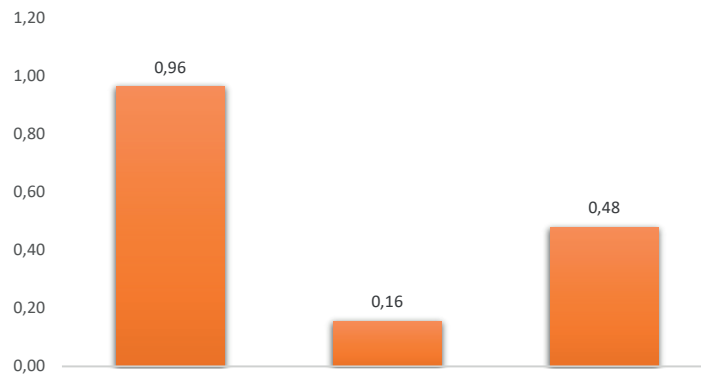


Frequency index*



* The Frequency Index is calculated as $If = (No. Accidents \times 1,000,000) / Hours\ worked$.

Severity Index**



**The Severity Index is calculated as $Ig = (working\ days\ lost\ due\ to\ injury / hours\ worked) \times 1,000$.

The **absence of occupational diseases** is also a positive result for the company, as it indicates a working environment that pays attention to the safety and health of employees.

Occupational Medicine

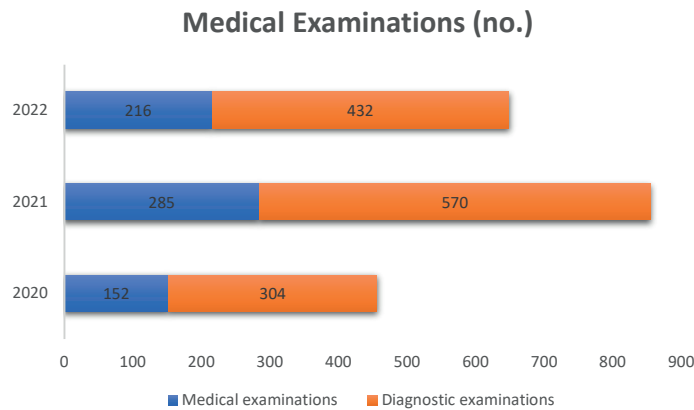


The company has a **health protocol** drawn up by the competent doctor according to the risk assessment, through which all workers are visited annually.

Inside the infirmary in closed files, the opening of which is only permitted to the competent doctor, health records are stored respecting the privacy of individual workers.

The competent doctor, who also has the status of authorised physician, then reports annually on the outcome of health surveillance to the main actors of the SGS, i.e. SPP, RLS, Qualified Expert, Functional Delegate.

Health surveillance is an essential practice in companies to ensure the health and safety of employees. Through medical examinations and diagnostic tests, possible health problems can be identified early, the health status of employees can be monitored, and timely action can be taken to prevent or manage any medical conditions.



Listening and Dialogue



Worker participation and consultation takes place both in direct form through discussions in the field at the workshops, with their references in charge and with the prevention and protection service, and in representative form through the designated RLS, during official meetings, with the employer, competent doctor and RSPP. Even when carrying out health surveillance activities, the competent doctor is a collector of participation and consultation of individual workers. The company has a suitable procedure for managing the process of worker consultation and participation, in order to improve the safety management system and consequently the levels of health and safety in the workplace.

Concerning the modalities of participation, please refer to the descriptions of the previous information, according to which it is possible to report critical or other issues also anonymously.



**FUTURE
OBJECTIVES
AND
COMMITMENTS**

Future objectives i and commitments

Belleli Energy CPE's 2022-2025 strategy aligns with the UN Sustainable Development Goals (SDGs) across the entire value chain, with a focus **on SDG 13**, combating climate change, through **decarbonisation** actions and increased development of **renewable capacities** (SDG 7 - Clean and Affordable Energy).

A key element of the strategy is the **centrality of people**, who play a key role in the company's energy transition. **Occupational health and safety** continues to be a priority, ensuring a safe and inclusive working environment for all employees.






























The sustainability of the **supply** chain and an **integrated governance** structure help to consolidate and complement the Group's sustainable approach, supporting the achievement of multiple sustainable development goals.

The focus on people also extends to the inclusion of diversity in religion, language and culture, recognising the value and richness that comes from diversity.

Innovation, digitalization and the adoption of a **circular economy** approach play a key role in achieving the sustainability goals set out in the Sustainability Plan 2022-2025. These initiatives foster efficiency, reduced environmental impact and the promotion of sustainable production and consumption patterns.

Finally, Belleli Energy CPE is firmly committed to the principles of the Global Compact, adopting responsible business practices that respect human rights, decent work, environmental protection and the fight against corruption, thus contributing to a more sustainable and ethical world.

Below are the sustainability goals outlined by Belleli Energy CPE aimed at covering a wide range of topics, including decarbonisation, renewable energy, green procurement, carbon management, environmental transparency and social responsibility.

| Areas | Description | Time-bound objective | SDGs | UNGC GOALS |
|-------|--|---|---|--|
| E | Increase participation in R&D projects dealing with decarbonisation and energy transition . | Constant |   |  ENVIRONMENT |
| E | Installation of renewable energy generation systems from photovoltaics . | By 2025 |  |  ENVIRONMENT |
| E | Implement a written and distributed EPP (environmentally preferable purchasing) policy , including cleaning, fleets, office supplies, meetings and conferences. | By 2023 |  |  ENVIRONMENT |
| E | Carbon management for the progressive reduction of CO ₂ emissions and an offsetting of residual emissions . | By 2025 |  |  ENVIRONMENT |
| E | Mapping suppliers' greenhouse gas emissions using the Synesgy platform | Target achieved and constant over the years |  |  ENVIRONMENT |
| E | Drafting the Environmental Report . | By 2025 |  |  ENVIRONMENT |
| S | Commitment to develop training activities aimed at all staff in the areas of legality and anti-corruption and in all topics useful for creating an organisational model capable of including and enhancing diversity. | By 2024 |     |  LABOUR  HUMAN RIGHTS |
| S | Achievement SA8000 | By 2024 |    |  LABOUR  HUMAN RIGHTS |
| S | Integration of equal opportunities, diversity and inclusion policies. | Constant |  |  LABOUR  HUMAN RIGHTS |
| G | Strengthening all ESG risk mitigation tools. | Constant |  |  ANTI-CORRUPTION |

Belleli Energy CPE demonstrates a concrete commitment to sustainable development through a business model geared towards the creation of long-term value for all stakeholders.

Methodological note

2-1

2-2

2-3

2-4

2-5

2-25

2-26

2-27

This document represents the second edition of the Sustainability Report of Belleli Energy CPE S.r.l., which has been produced to provide a presentation of the company's activities, impacts generated, commitments and objectives in economic, financial, social and environmental terms.

This report has been prepared **in accordance with the GRI Standards for the period from January 1, 2022, to December 31, 2022**, taking into account the latest updates in the **GRI Universal Standards 2021** and the GRI 11: Oil and Gas Sector 2021 sector standard. The document will be published annually. The Tosto Group pursues the goal of incorporating sustainability into the strategy of Belleli Energy CPE S.r.l., in line with the Development Goals (SDGs) set by the United Nations in the 2030 Agenda for Sustainable Development and the principles of the UN Global Compact.

The function responsible for the preparation of this document is the Sustainability Office. The report was approved by administrator Walter Tosto.

This document has not been audited by an independent third party company.

The reporting perimeter

With regard to economic data, the reporting boundary **does not coincide with the consolidation area in the Consolidated Financial Statements of the Tosto Group**; all data refer only to the activities of the company Belleli Energy CPE S.r.l.

The financial data reflect those reported in the 2022 Budget (**1 January to 31 December**) of Belleli Energy CPE S.r.l.. The document also contains data for the three-year period 2020-2022 to provide a comparison between the reporting year and previous years.

Similarly, qualitative information and quantitative data on social and environmental aspects refer exclusively to the aforementioned Company.

In defining the contents of the Report, the Group has been guided by the principles of **accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability** in order to ensure the quality of the information and the appropriateness of the way it is presented. The Sustainability Report is also available online at <https://www.belleli.it/it/>.

Clarifications and information on the sustainability strategy of Belleli Energy CPE S.r.l. can be requested from: Sustainability Office (sustainability@walmartosto.it).

We hope that reporting can help us and all stakeholders understand the importance not only of results, but also of how they are achieved.

Appendix

SOCIAL INDICATORS

DIPENDENTI

| Employees by type of contract | dec-20 | dec-21 | dec-22 |
|--|-------------------|-------------------|-------------------|
| Number of employees by employment contract type by gender | | | |
| Permanent | 288 | 274 | 256 |
| <i>of which women</i> | 12 | 10 | 10 |
| <i>of which men</i> | 276 | 264 | 246 |
| Fixed-term | 6 | 23 | 10 |
| <i>of which women</i> | 1 | 3 | 1 |
| <i>of which men</i> | 5 | 20 | 9 |
| Total employees | 294 | 297 | 266 |
| Number of employees by type of employment by gender | | | |
| Full-time | 288 | 294 | 263 |
| <i>of which women</i> | 9 | 10 | 8 |
| <i>of which men</i> | 279 | 284 | 255 |
| Part time | 6 | 3 | 3 |
| <i>of which women</i> | 4 | 3 | 3 |
| <i>of which men</i> | 2 | 0 | 0 |
| Total | 294 | 297 | 266 |
| Number of employees by gender | | | |
| Total women | 13 | 13 | 11 |
| Total men | 281 | 284 | 255 |
| AVERAGE WORKFORCE | | | |
| | AVERAGE 20 | AVERAGE 21 | AVERAGE 22 |
| | 298,18 | 298,32 | 286,28 |

WORKERS WHO ARE NOT EMPLOYEES

| Employees by type of contract | dec-20 | dec-21 | dec-22 |
|-------------------------------------|-----------|-----------|-----------|
| CO.CO.CO. | 3 | 3 | 3 |
| <i>of which women</i> | - | - | - |
| <i>of which men</i> | 3 | 3 | 3 |
| Administration | 16 | 13 | 21 |
| <i>of which women</i> | - | - | - |
| <i>of which men</i> | 16 | 13 | 21 |
| EXTRACURRICULAR TRAINEESHIPS | 14 | 21 | 31 |
| <i>of which women</i> | - | - | 1 |
| <i>of which men</i> | 14 | 21 | 30 |

STAFF TURNOVER

| New Hires and New Hire Rate by Gender | dec-20 | dec-21 | dec-22 |
|---------------------------------------|--------|--------|--------|
| WOMEN | | | |
| Tot.N | 1 | 3 | 2 |
| Tot. % | 3% | 9% | 20% |
| MEN | | | |
| Tot.N | 30 | 31 | 8 |
| Tot. % | 97% | 91% | 80% |
| TOTAL | | | |
| Tot.N | 31 | 34 | 10 |
| Entry rate | 11% | 11% | 4% |

NEW HIRES BY AGE GROUP

| | dec-20 | dec-21 | dec-22 |
|-----------------------|--------|--------|--------|
| up to 30 years | | | |
| <i>of which women</i> | 1 | 3 | 0 |
| <i>of which men</i> | 17 | 26 | 6 |
| Tot.N | 18 | 29 | 6 |
| Tot. % | 58% | 85% | 60% |
| 30 to 50 years | | | |
| <i>of which women</i> | - | 0 | 2 |
| <i>of which men</i> | 4 | 5 | - |
| Tot.N | 4 | 5 | 2 |
| Tot. % | 13% | 15% | 20% |
| over 50 years | | | |
| <i>of which women</i> | - | 0 | 0 |
| <i>of which men</i> | 9 | 0 | 2 |
| Tot.N | 9 | 0 | 2 |
| Tot. % | 29% | 0% | 20% |

TERMINATION BY GENDER

| | dec-20 | dec-21 | dec-22 |
|--------------|-----------|-----------|-----------|
| WOMEN | | | |
| Tot.N | 1 | 2 | 3 |
| Tot. % | 4% | 7% | 8% |
| MEN | | | |
| Tot.N | 25 | 28 | 37 |
| Tot. % | 96% | 93% | 93% |
| TOTAL | | | |
| Tot.N | 26 | 30 | 40 |
| Tot. % | 84% | 88% | 400% |

TERMINATION BY AGE GROUP

| | dec-20 | dec-21 | dec-22 |
|------------------------|--------|--------|--------|
| up to 30 years | | | |
| <i>of which women</i> | - | 1 | 2 |
| <i>of which men</i> | 3 | 7 | 16 |
| Tot.N | 3 | 8 | 18 |
| Tot. % | 12% | 27% | 45% |
| 30 to 50 years | | | |
| <i>of which women</i> | 1 | 0 | 0 |
| <i>of which men</i> | 6 | 7 | 11 |
| Tot.N | 7 | 7 | 11 |
| Tot. % | 27% | 23% | 28% |
| oltre i 50 anni | | | |
| <i>of which women</i> | - | 0 | 1 |
| <i>of which men</i> | 16 | 15 | 10 |
| Tot.N | 16 | 15 | 11 |
| | 62% | 50% | 28% |

TERMINATION - CAUSES

| | dec-20 | dec-21 | dec-22 |
|-------------------------------------|-----------|-----------|-----------|
| Voluntary causes | 13 | 13 | 23 |
| Retirements | 7 | 9 | 3 |
| Natural Expiry Date | 1 | 1 | 7 |
| Failure to pass probationary period | 0 | 2 | 0 |
| Death | 1 | 2 | 0 |
| Dismissal | 4 | 3 | 7 |
| Total terminations | 26 | 30 | 40 |
| Turnover rate | 9% | 10% | 15% |

DIVERSITY

| EMPLOYEES BY CLASSIFICATION AND GENDER | dec-20 | dec-21 | dec-22 |
|---|------------|------------|------------|
| Executives | 4 | 4 | 3 |
| <i>of which women</i> | 0 | 0 | 0 |
| <i>of which men</i> | 4 | 4 | 4 |
| Middle Managers | 12 | 11 | 11 |
| <i>of which women</i> | 0 | 0 | 0 |
| <i>of which men</i> | 12 | 11 | 11 |
| White collars | 64 | 71 | 60 |
| <i>of which women</i> | 13 | 13 | 11 |
| <i>of which men</i> | 51 | 58 | 49 |
| Blue collars | 214 | 211 | 192 |
| <i>of which women</i> | 0 | 0 | 0 |
| <i>of which men</i> | 214 | 211 | 192 |
| Total | 294 | 297 | 266 |

| Professional qualification index | dec-20 | dec-21 | dec-22 |
|---|--------|--------|--------|
| Executives | 1% | 1% | 1% |
| Middle Managers | 4,1% | 3,7% | 4,1% |
| White collars | 22% | 24% | 23% |
| Blue collars | 73% | 71% | 72% |

| EMPLOYEES BY AGE GROUP, GENDER AND CLASSIFICATION | | dec-20 | dec-21 | dec-22 |
|--|----------------------|--------|--------|--------|
| EXECUTIVES | | | | |
| Men | <i>up to30 years</i> | 0 | 0 | 0 |
| | <i>30to50 years</i> | 1 | 1 | 1 |
| | <i>over 50 years</i> | 3 | 3 | 2 |
| | Tot. Men | 4 | 4 | 3 |
| Women | <i>up to30 years</i> | 0 | 0 | 0 |
| | <i>30to50 years</i> | 0 | 0 | 0 |
| | <i>over 50 years</i> | 0 | 0 | 0 |
| | Tot. Women | 0 | 0 | 0 |
| MIDDLE MANAGERS | | | | |
| Men | <i>up to30 years</i> | 0 | 0 | 0 |
| | <i>30to50 years</i> | 6 | 6 | 6 |
| | <i>over 50 years</i> | 6 | 5 | 5 |
| | Tot. Men | 12 | 11 | 11 |
| Women | <i>up to30 years</i> | 0 | 0 | 0 |
| | <i>30to50 years</i> | 0 | 0 | 0 |
| | <i>over 50 years</i> | 0 | 0 | 0 |
| | Tot. Women | 0 | 0 | 0 |
| WHITE COLLARS | | | | |
| Men | <i>up to30 years</i> | 3 | 11 | 8 |
| | <i>30to50 years</i> | 18 | 20 | 16 |
| | <i>over 50 years</i> | 30 | 27 | 25 |
| | Tot. Men | 51 | 58 | 49 |
| Women | <i>up to30 years</i> | 1 | 3 | 1 |
| | <i>30to50 years</i> | 9 | 7 | 8 |
| | <i>over 50 years</i> | 3 | 3 | 2 |
| | Tot. Women | 13 | 13 | 11 |
| BLUE COLLARS | | | | |
| Men | <i>up to30 years</i> | 32 | 43 | 38 |
| | <i>30to50 years</i> | 100 | 97 | 92 |
| | <i>over 50 years</i> | 82 | 71 | 62 |
| | Tot. Men | 214 | 211 | 192 |
| Women | <i>up to30 years</i> | 0 | 0 | 0 |
| | <i>30to50 years</i> | 0 | 0 | 0 |
| | <i>over 50 years</i> | 0 | 0 | 0 |
| | Tot. Women | 0 | 0 | 0 |

| Directors by age and gender | <i>up to 30 years</i> | <i>30 to 50 years</i> | <i>over 50 years</i> | Total |
|-----------------------------|-----------------------|-----------------------|----------------------|--------------|
| <i>Men</i> | 0 | 2 | 2 | 4 |
| <i>Women</i> | 0 | 0 | 0 | 0 |
| Total | 0 | 2 | 2 | 4 |

GENDER PAY GAP

| Average Annual Base Salaries Women/Men | 2020 | | 2021 | | 2022 | |
|--|-------------|-----------|-----------|-----------|------------|-----------|
| | Men | Women | Men | Women | Men | Women |
| Executives | € 95.392,31 | - | 98.000,04 | - | 106.180,30 | - |
| Middle Managers | € 57.967,27 | - | 58.495,26 | - | 59.648,85 | - |
| White collars | € 38.531,16 | 26.213,54 | 35.329,56 | 23.084,41 | 38.036,92 | 27.253,96 |
| Blue collars | € 28.743,19 | - | 28.708,30 | - | 29.178,96 | - |

| Average Annual Remuneration Women/Men | 2020 | | 2021 | | 2022 | |
|---------------------------------------|--------------|----------|------------|-----------|------------|-----------|
| | Men | Women | Men | Women | Men | Women |
| Executives | € 104.633,40 | - | 104.650,05 | - | 118.333,68 | - |
| Middle Managers | € 60.821,12 | - | 62.750,16 | - | 65.502,71 | - |
| White collars | € 44.387,71 | 27.53,96 | 39.040,89 | 23.974,07 | 42.763,15 | 28.303,77 |
| Blue collars | € 33.864,51 | - | 34.055,01 | - | 32.198,00 | - |

TRAINING

| | | 2021 | 2022 |
|--|-----|--------------|-------------|
| Training Hours by Gender | ore | 4.884 | 1010 |
| Man | ore | 4.699 | 5.367 |
| Women | ore | 185 | 258 |
| Training hours by professional category | ore | 4.836 | 5367 |
| Executives | ore | 50 | 2488 |
| Middle Managers | ore | 174 | 984 |
| White collars | ore | 886 | 4.271 |
| Blue collars | ore | 3.726 | |
| Average training per employee | ore | 16,4 | 20,2 |

APPRAISALS

| Employees evaluated during the year by gender | 2020 | 2021 | 2022 |
|---|------|------|------|
| Total | 62 | 54 | 32 |
| <i>By gender</i> | | | |
| Men | 55 | 53 | 30 |
| Women | 7 | 1 | 1 |
| <i>By professional category:</i> | | | |
| Executives | 1 | 0 | 0 |
| Middle managers | 2 | 1 | 1 |
| White collars | 17 | 10 | 10 |
| Blue collars | 42 | 43 | 21 |

ECONOMIC INDICATORS

| RECLASSIFIED INCOME STATEMENT TO ADDED VALUE | 2020 | 2021 | 2022 | 2021/2022 |
|--|--------------------|-------------------|-------------------|----------------|
| Net revenue | 102.649.133 | 31.778.391 | 68.269.521 | 114,8% |
| Financial income | 682 | 121 | 6.246 | 5061,7% |
| Miscellaneous income | 2.956.184 | 963.940 | 1.591.471 | 65,1% |
| Economic value generated | 105.605.999 | 32.742.452 | 69.867.237 | 113,4% |
| Operating Costs | (85.978.350,0) | (11.612.940,00) | (47.256.756,00) | 306,9% |
| Amortisation, depreciation, write-downs and other provisions | (3.099.432) | (4.022.038) | (4.109.078) | 2,2% |
| Net Added Value | 16.528.217 | 17.107.474 | 18.501.403 | 8,1% |
| Employees | 15.839.637 | 16.161.036 | 16.055.233 | -0,7% |
| Lenders | 112.911 | 96.340 | 112.380 | 16,6% |
| Shareholders | | 1.350.000 | 1.000.000 | -25,9% |
| P.A. | 54.647 | 306.419 | 768.742 | 150,9% |
| Community | 25.500 | 40.000 | 8.100 | -79,8% |
| Distributed added value | 16.032.695 | 17.953.795 | 17.944.454 | -0,1% |
| Retained added value | 495.522 | (846.321) | 556.949 | -165,8% |

Financial assistance received from Government

| CONTRIBUTIONS | 2020 | 2021 | 2022 |
|--|---------------------|---------------------|---------------------|
| EBM project | 158.160,00 € | 79.080,00 € | 79.080,00 € |
| Invitalia Contributions - Impresa Sicura | 59.445,89 € | - | - |
| WOLF project | - | - | 239.165,03 € |
| Export Duties Reimbursement | 2.661,00 € | 280.921,00 € | 50.193,26 € |
| TOTAL | 220.266,89 € | 360.001,00 € | 368.438,29 € |

| TAX CREDITS | 2020 | 2021 | 2022 |
|-------------------------------|---------------------|---------------------|---------------------|
| Art-Bonus | 3.250,00 € | 3.250,00 € | 1.625,00 € |
| Research & Development 2019 | 95.281,11 € | - | - |
| Research & Development 2020 | - | 70.233,76 € | - |
| Research & Development 2021 | - | 62.530,24 € | - |
| Research & Development 2022 | - | - | - |
| Super depreciation | 42.483,46 € | 22.212,53 € | 7.662,37 € |
| Tax credit 4.0 | - | 343.620,80 € | - |
| Tax Credit for Ordinary Goods | 2.542,86 € | 12.811,06 € | 7.865,44 € |
| Tax Credit for Electricity | - | - | 597.467,98 € |
| TOTAL | 143.557,43 € | 514.658,39 € | 718.514,62 € |

SUPPLY CHAIN

| Number of suppliers by type | 2020 | 2021 | 2022 |
|-----------------------------|------------|------------|------------|
| Raw materials | 287 | 19 | 262 |
| Consumables | 127 | 51 | 123 |
| Services | 341 | 339 | 353 |
| Capital Goods | 39 | 20 | 23 |
| TOTAL | 794 | 812 | 761 |

| VALUE OF PURCHASES BY TYPE | 2020 | 2021 | 2022 |
|----------------------------|------------------------|------------------------|------------------------|
| Raw materials | 27.299.928,16 € | 27.348.373,94 € | 14.628.085,38 € |
| Consumables | 945.089,36 € | 1.132.896,19 € | 629.262,11 € |
| Services | 7.981.825,06 € | 7.958.579,77 € | 2.856.264,28 € |
| Capital Goods | 1.199.932,14 € | 149.498,02 € | 123.900,07 € |
| TOTAL | 37.426.774,72 € | 36.589.347,92 € | 18.237.511,84 € |

ENVIRONMENTAL INDICATORS

| ENERGY CONSUMPTION | Unità di misura | 2020 | 2021 | 2022 |
|-------------------------|-----------------|---------------|----------------|---------------|
| <i>Methane gas</i> | smc | 1.190.349 | 1.435.311 | 1.022.740 |
| <i>Diesel</i> | l | 55.335 | 55.392 | 59.936 |
| <i>Petrol</i> | l | 1.176 | 2.870 | 1.106 |
| <i>Electricity</i> | kWh | 6.689.177 | 6.682.174 | 6.191.335 |
| <i>District heating</i> | MWh | 7.010 | 7.201 | 4.271 |
| <i>Methane gas</i> | GJ | 41.997 | 50.639 | 36.083 |
| <i>Diesel</i> | GJ | 1.993 | 1.996 | 2.160 |
| <i>Petrol</i> | GJ | 37 | 92 | 35 |
| <i>Electricity</i> | GJ | 24.081 | 24.056 | 22.289 |
| <i>District heating</i> | GJ | 25.963 | 26.670 | 15.818 |
| TOT | GJ | 94.071 | 103.454 | 76.386 |

CO₂ EMISSIONS

| Scope | Source | 2020 in tons CO ₂ | 2021 in tons CO ₂ | 2022 in tonsCO ₂ |
|----------------|---|------------------------------|------------------------------|-----------------------------|
| Scope 1 | Natural gas used in production processes (preheating ovens in the departments and heating of some factory premises) | 2.366 | 2.867 | 2.043 |
| | Diesel to fuel transport and vehicles | 130 | 122 | 134 |
| | Diesel for company vehicles | 20 | 20 | 27 |
| | Petrol for company vehicles | 3 | 3 | 3 |
| Scope 2 | Electricity for machinery and plants - MB | 1.868 | 1.746 | 1.617 |
| | District heating | 1.681 | 1.727 | 1.024 |
| Scope 3 | Business Travel | 15 | 4 | 15 |
| Total | | 6.083 | 6.501 | 4.863 |

WASTE

| | | |
|-------------|-------------------------------|-----------------|
| 2022 | Total waste (tonnes) | 1.516 |
| | Hazardous | 310 |
| | Non-hazardous | 1.217 |
| | Waste for Disposal | 320 |
| | Waste for Recovery Operations | 1.196 |
| 2021 | Total waste (tonnes) | 2.532,29 |
| | Hazardous | 233,24 |
| | Non-hazardous | 2.299,05 |
| | Waste for Disposal | 1.438,30 |
| | Waste for Recovery Operations | 1.093,99 |
| 2020 | Total waste (tonnes) | 2.506,19 |
| | Hazardous | 315,37 |
| | Non-hazardous | 2.190,82 |
| | Waste for Disposal | 1.230,00 |
| | Waste for Recovery Operations | 1.276,19 |



GRI CONTENT INDEX

| Declaration of use | Belleli Energy CPE s.r.l. drew up “in accordance” with GRI standards for the period 01/01/2022 - 31/12/2022 | | | | | |
|--|---|--|-----------|---------------------------|-------|----------------|
| GRI 1 used | GRI 1: Fundamental Principles 2021 | | | | | |
| GRI Sector Standards applicable | GRI 11: Oil and Gas Sector 2021 | | | | | |
| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
| GRI Aspects | Disclosure | Description | | | | |
| GRI 2: General Disclosure | | | | | | |
| The organisation and its reporting practices | 2-1 | Organisational details | | 12, 14, 27, 128 | | |
| | 2-2 | Entities included in the organisation’s sustainability reporting | | 128 | | |
| | 2-3 | Reporting period, frequency and contact point | | 128 | | |
| | 2-4 | Restatements of information | | 128 | | |
| | 2-5 | External Assurance | | 128 | | |
| Activities and workers | 2-6 | Activities, value chain and other business relations | | 7, 15, 19, 21, 24, 29, 59 | | |
| | 2-7 | Employees | | 99 | | |
| | 2-8 | Workers who are not employees | | 102 | | |
| Governance | 2-9 | Governance structure and composition | | 43 | | |
| | 2-10 | Nomination and selection of the highest governance body | | 43 | | |

| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
|-----------------------------------|------------|---|-----------|---|-------|----------------|
| GRI Aspects | Disclosure | Description | | | | |
| Governance | 2-11 | Chair of the highest governance body | | 43 | | |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | | 43 | | |
| | 2-13 | Delegation of responsibility for managing impacts | | 43 | | |
| | 2-14 | Role of the highest governance body in sustainability reporting | | 43 | | |
| | 2-15 | Conflicts of interest | | 43 | | |
| | 2-16 | Communication of critical concerns | | 43 | | |
| | 2-17 | Collective knowledge of the highest governance body | | 43 | | |
| | 2-18 | Evaluation of the performance of the highest governance body | | 43 | | |
| | 2-19 | Remuneration policies | | 105 | | |
| | 2-20 | Process to determine remuneration | | 105 | | |
| | 2-21 | Annual total compensation ratio | | 105 | | |
| Strategy, policies and procedures | 2-22 | Statement on sustainable development strategy | | 5 | | |
| | 2-23 | Policy commitments | | 11, 49, 50, 52, 53, 54, 55, 56, 68, 78, 83, 120 | | |
| | 2-24 | Embedding policy commitments | | 43, 53, 56, 78, 83, 120 | | |

| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
|--|------------|---|-----------|----------------------|-------|----------------|
| GRI Aspects | Disclosure | Description | | | | |
| Strategy, policies and procedures | 2-25 | Processes to remediate negative impacts | | 24, 49, 53, 120, 128 | | |
| | 2-26 | Mechanisms for seeking advice and raising concerns | | 24, 49, 53, 120, 128 | | |
| | 2-27 | Compliance with laws and regulations | | 49, 83, 120, 128 | | |
| | 2-28 | Membership associations | | 38, 69 | | |
| Involvement Stakeholders | 2-29 | Approach to Stakeholder Engagement | | 64 | | |
| | 2-30 | Collective bargaining agreements | | 99 | | |
| GRI 3: Material Topics 2021 | | | | | | |
| Disclosures on material topics | 3-1 | Process to determinint material topics | | 73, 75 | | |
| | 3-2 | Elenco dei temi materiali | | 77 | | |
| GRI 201: Economic performance 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 40, 59, 60, 66, 110 | | 11.14.1 |
| | 201-1 | Direct economic value generated and distributed | | 59, 66 | | 11.14.2 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | | 110 | | |
| | 201-4 | Financial assistance received | | 40, 60 | | 11.21.3 |
| GRI 204: Procurement Practices 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 29 | | 11.14.1 |
| | 204-1 | Proportion of spending on local suppliers | | 29 | | 11.14.6 |






| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
|---|------------|--|-----------|------------|--|----------------|
| GRI Aspects | Disclosure | Description | | | | |
| GRI 205: Anti-Corruption 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 51 | | 11.20.1 |
| | 205-1 | Operations assessed for risks related to corruption | | 51 | | 11.20.2 |
| | 205-3 | Confirmed incidents of corruption and actions taken | | 51 | | 11.20.4 |
| GRI 206: Anti-Competitive Behaviour 2016 | | | | | | |
| GRI 3: Temi Materiali 2021 | 3-3 | Management of material topics | | 52 | | 11.19.1 |
| | 206-1 | Legal actions for anti-competitive behaviour, antitrust and monopoly practices | | 52 | | 11.19.2 |
| GRI 301: Materials 2016 | | | | | | |
| GRI 3: Temi Materiali 2021 | 3-3 | Management of material topics | | 94 | | |
| | 301-1 | Materials used by weight or volume | | 94 | | |
| GRI 302: Energy 2016 | | | | | | |
| GRI 3: Temi Materiali 2021 | 3-3 | Management of material topics | | 84, 85, 86 | | 11.1.1 |
| | 302-1 | Energy consumption within the organisation | | 84 | | 11.1.2 |
| | 302-3 | Energy intensity | | 86 | | 11.1.4 |
| | 302-4 | Reduction of energy consumption | | 85 | | |
| GRI 303: Water and wastewater 2018 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 97 | | 11.6.1 |
| | 303-5 | Water consumption | | 97 | The topic is not material, the GRI Standard does not cover all the required information. | 11.6.6 |





| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
|---------------------------------|------------|--|-----------|---------------|-------|---------------------|
| GRI Aspects | Disclosure | Description | | | | |
| GRI 305: Emissions 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 90, 91 | | 11.1.1 |
| | 305-1 | Direct (Scope 1) GHG emissions | | 90 | | 11.1.5 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | | 90 | | 11.1.6 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | | 91 | | |
| | 305-4 | GHG emissions Intensity | | 91 | | 11.1.8 |
| GRI 306: Waste 2020 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 95, 96 | | 11.5.1 |
| | 306-1 | Waste generation and significant waste-related impacts | | 95 | | 11.5.2 |
| | 306-2 | Management of significant waste-related impacts | | 95 | | 11.5.3 |
| | 306-3 | Waste generated | | 96 | | 11.5.4 |
| | 306-4 | Waste diverted from disposal | | 96 | | 11.5.5 |
| | 306-5 | Waste directed to disposal | | 96 | | 11.5.6 |
| GRI 401: Employment 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 103, 110, 115 | | 11.10.1 |
| | 401-1 | New employee hires and employee turnover | | 103 | | 11.10.2 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | | 110 | | 11.10.3 |
| | 401-3 | Parental leave | | 115 | | 11.10.4; 11.11.3 |





| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
|---|------------|--|-----------|--------------------|-------|---------------------|
| GRI Aspects | Disclosure | Description | | | | |
| GRI 403: Occupational Health and Safety 2018 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 107, 120, 122, 124 | | 11.9.1 |
| | 403-1 | Occupational Health and Safety Management System | | 120 | | 11.9.2 |
| | 403-2 | Hazard identification, risk assessment and incident investigation | | 122 | | 11.9.3 |
| | 403-3 | Occupational health services | | 124 | | 11.9.4 |
| | 403-4 | Worker participation, consultation and communication on occupational health and safety | | 124 | | 11.9.5 |
| | 403-5 | Worker training on occupational health and safety | | 107 | | 11.9.6 |
| | 403-8 | by an occupational health and safety management system | | 120 | | 11.9.9 |
| | 403-9 | Work-related injuries | | 122 | | 11.9.10 |
| | 403-10 | Work-related ill health | | 122 | | 11.9.11 |
| GRI 404: Training 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 106, 107 | | 11.10.1 |
| | 404-1 | Average hours of training per year per employee | | 107 | | 11.10.6; 11.11.4 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | | 106 | | |





| GRI Standards | | | Omissions | Page | Notes | GRI 11 RIF. N. |
|---|------------|---|-----------|----------------------------|-------|----------------|
| GRI Aspects | Disclosure | Description | | | | |
| GRI 405: Diversity and Equal Opportunities 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 43, 99, 113, 116, 117, 119 | | 11.11.1 |
| | 405-1 | Diversity in governing bodies and employees | | 43, 99, 113, 117, 119 | | 11.11.5 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | | 116 | | 11.11.6 |
| GRI 413: Local Communities 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 68, 108 | | |
| | 413-1 | Operations with local community engagement, impact assessments and development programs | | 68, 108 | | |
| GRI 418: Customer privacy 2016 | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 53 | | |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy | | 53 | | |
| MATERIAL TOPICS NOT ASSOCIATED WITH THE STANDARD GRI | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | | 36-41 | | |
| | | Innovability | | 36-41 | | |

CORRELATION TABLE BETWEEN SDGs AND STANDARD GRI INDICATORS

| | | |
|---|--|---|
|  | GOAL 1 - Zero Poverty Eradicate poverty in all its forms and everywhere in the world. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Wealth generation Local communities | 3-3; 201-1; 201-4 3-3; 201-1; 413-1 |
|  | GOAL 2 - Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Economia circolare Supply chain sostenibile | 3-3; 306-1; 306-2; 306-3; 306-4; 306-5 3-3; 204-1 |
|  | GOAL 3 - Good health and well-being Ensure healthy lives and promote well-being for all at all ages. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Health and safety at work Local communities Welfare | 3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-8; 403-9; 403-10 3-3; 201-1 3-3; 201-3; 401-2 |
|  | GOAL 4 - Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Skills for the Future Welfare Local communities | 3-3; 403-5; 404-1; 413-1 3-3; 201-3; 401-2 3-3; 201-1 |
|  | GOAL 5 - Gender Equality Achieve gender equality and empower all women and girls. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Skills for the Future Non-discrimination and equal opportunities Employment | 3-3; 403-5; 404-1; 413-1 3-3; 401-3; 405-1; 405-2 3-3; 401-1; 403-5; 404-1; 404- 3;405-1 |

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|  | <p>GOAL 6 - Clean water and sanitation Ensure availability and sustainable management of water and sanitation for all.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Circular Economy</p> | <p>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</p> |
|  | <p>GOAL 7 - Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Climate Change</p> | <p>3-3; 305-1; 305-2; 305-3; 305-4</p> |
| | <p>Energy efficiency</p> <p>Sustainable Innovation</p> | <p>3-3; 302-1; 302-3; 302-4</p> <p>-</p> |
|  | <p>GOAL 8 - Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Ethics and integrity</p> | <p>3-3; 205-1; 205-3; 206-1</p> |
| | <p>Employment</p> | <p>3-3; 401-1; 403-5; 404-1; 404-3; 405-1</p> |
| | <p>Health and safety at work</p> | <p>3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-8; 403-9; 403-10</p> |
| | <p>Sustainable supply chain</p> | <p>3-3; 204-1</p> |
| | <p>Wealth generation</p> | <p>3-3; 201-1; 201-4</p> |
| | <p>Welfare</p> | <p>3-3; 201-3; 401-2</p> |
| | <p>Local Communities</p> <p>Non-discrimination and equal opportunities</p> | <p>3-3; 201-1</p> <p>3-3; 401-3; 405-1; 405-2</p> |
|  | <p>GOAL 9 - Industry, innovation and infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Sustainable Innovation</p> | <p>-</p> |
| | <p>Skills for the Future</p> <p>Cybersecurity and Data Protection</p> | <p>3-3; 403-5; 404-1; 413-1</p> <p>3-3; 418-1</p> |

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|  | GOAL 10 - Reduced inequalities Reduce inequality within and among countries. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Welfare | 3-3; 201-3; 401-2 |
| | Ethics and Integrity | 3-3; 205-1; 205-3; 206-1 |
| | Sustainable Supply Chain | 3-3; 204-1 |
| | Wealth Generation | 3-3; 201-1; 201-4 |
| | Non-discrimination and equal opportunities | 3-3; 401-3; 405-1; 405-2 |
| | Employment | 3-3; 401-1; 403-5; 404-1; 404-3; 405-1 |
| | Local Communities | 3-3; 201-1 |
| Skills for the Future | 3-3; 403-5; 404-1; 413-1 | |
|  | GOAL 11 - Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Local communities | 3-3; 201-1 |
|  | GOAL 12 - Responsible consumption and production Ensure sustainable consumption and production patterns. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Sustainable supply chain | 3-3; 204-1 |
| | Energy Efficiency | 3-3; 302-1; 302-3; 302-4 |
| | Circular Economy | 3-3; 306-1; 306-2; 306-3; 306-4; 306-5 |
| | Sustainable Innovation | - |
| Ethics and integrity | 3-3; 205-1; 205-3; 206-1 | |
|  | GOAL 13 - Climate action Take urgent action to combat climate change and its impacts. | |
| | TOPIC | STANDARD GRI INDICATOR |
| | Climate Change | 3-3; 305-1; 305-2; 305-3; 305-4 |
| | Energy efficiency | 3-3; 302-1; 302-3; 302-4 |
| | ustainable Innovation | - |
| Sustainable supply chain | 3-3; 204-1 | |

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|  | <p>GOAL 14 - Life below water Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Climate Change</p> <p>Circular Economy</p> | <p>3-3; 305-1; 305-2; 305-3; 305-4</p> <p>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</p> |
|  | <p>GOAL 15 - Life on land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Climate Change</p> <p>Circular Economy</p> | <p>3-3; 305-1; 305-2; 305-3; 305-4</p> <p>3-3; 306-1; 306-2; 306-3; 306-4; 306-5</p> |
|  | <p>GOAL 16 - Peace, justice and strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Ethics and integrity</p> | <p>3-3; 205-1; 205-3; 206-1</p> |
| | <p>Sustainable supply chain</p> | <p>3-3; 204-1</p> |
| | <p>Cybersecurity and Data Protection</p> <p>Local communities</p> | <p>3-3; 418-1</p> <p>3-3; 201-1</p> |
|  | <p>GOAL 17 - Partnerships for the Goals Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.</p> | |
| | <p>TOPIC</p> | <p>STANDARD GRI INDICATOR</p> |
| | <p>Ethics and Integrity</p> | <p>3-3; 205-1; 205-3; 206-1</p> |
| | <p>Sustainable Innovation</p> | <p>-</p> |
| | <p>Skills for the Future</p> | <p>3-3; 403-5; 404-1; 413-1</p> |
| | <p>Cybersecurity and Data Protection</p> <p>Wealth Generation</p> | <p>3-3; 418-1</p> <p>3-3; 201-1; 201-4</p> |

GLOBAL COMPACT CONNECTION TABLE

Belleli Energy CPE s.r.l.'s management model is inspired by the Code of Ethics and is based on management policies founded on the principles set out in the Universal Declaration of Human Rights and the Ten Principles of the United Nations Global Compact.

The Code of Ethics can be consulted at the following address:

https://www.belleli.it/wp-content/uploads/2018/04/BE_CODICE-ETICO.pdf

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|  <p>HUMAN RIGHTS</p> | <p>Sustainability Report 2022</p> <p>Respect for human rights is based on the dignity of every human being and the responsibility of companies to contribute to the well-being of individuals and local communities. This approach is rooted and widespread in the corporate culture of Gruppo Tosto. The commitment begins with relations with employees and extends to those with local communities, governments, suppliers and all business partners, as well as security activities and workers' rights. This commitment has the United Nations Universal Declaration of Human Rights as its frame of reference and is reinforced by adherence to the 10 principles of the Global Compact.</p> | <p>Paragraphs</p> <p>Values, Vision, Mission; Code of Ethics; Supply chain; General Data Protection Regulation; Supporting local communities; Resources; People's Well-being; Together in safety; Corporate Governance; Stakeholder Engagement; The contribution to the achievement of the SDGs; The value of diversity</p> |
| <p>Principles 1, 2 - Businesses are required to promote and respect universally recognised human rights within their sphere of influence and to ensure that they are not, even indirectly, complicit in human rights abuses.</p> | | |

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|  <p>LABOUR</p> | <p>Sustainability Report 2022</p> <p>Gruppo Tosto rejects any form of discrimination based on gender, age, ethnic or national origin, skin colour, state of health and different physical or mental abilities, marital status, sexual orientation, religious beliefs, political opinions and social origin. The Group is committed to developing and maintaining an inclusive work environment, free from all forms of violence or harassment. It is also committed to initiatives to reconcile life and work.</p> <p>The right to form and join trade union associations and to carry out trade union activities is guaranteed. Employees are provided with training and development professional.</p> | <p>Paragraphs</p> <p>Values, Vision, Mission; Code of Ethics; Supply chain Resources; People's Well-being; The value of diversity; Corporate Governance; Together in safety; Stakeholder Engagement; The contribution to the achievement of the SDGs.</p> |
| <p>Principles 3, 4, 5, 6 - Businesses are required to uphold the freedom of association of workers and recognise the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective elimination of child labour; and the elimination of all forms of discrimination in respect of employment and occupation.</p> | | |



Principles 7, 8, 9 - Businesses are required to support a precautionary approach to environmental challenges; to undertake initiatives that promote greater environmental responsibility; and to encourage the development and diffusion of environmentally friendly technologies.

Sustainability Report 2022

The Group is committed to reducing its direct impacts by decreasing consumption and waste produced, and to expand the use of energy from renewable sources; to protect the environment and identify in management systems environment, the tool for implementing and monitoring of the actions put in place to implement the commitments made. The Group is committed to the development of new technologies for energy efficiency, to contribute to the containment of greenhouse gas emissions, and to increase the performance and quality of its products. The Group is also committed to raising awareness of environmental aspects in its value chain.

Paragraphs

- Values, Vision, Mission;
- Code of Ethics;
- Supply chain;
- Innovability;
- Supporting local communities;
- Fighting climate change;
- Energy consumption;
- Corporate Governance;
- Stakeholder Engagement;
- The contribution to the achievement of the SDGs.



Principle 10 - Businesses are committed to fighting corruption in all its forms, including extortion and bribery.

Sustainability Report 2022

The Tosto Group disseminates ethical principles and corporate values and is committed to providing training on legality and anti-corruption. The Group conducts reputational audits of suppliers and third parties.

No corruption-related cases were reported in 2021.

Paragraphs

- Values, Vision, Mission;
- Supply chain
- Code of Ethics;
- Economic performance;
- Supporting local communities;
- Corporate Governance;
- Stakeholder Engagement;
- The contribution to the achievement of the SDGs.

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