

Sustainability report 2024



CSM GROUP

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CSM GROUP
— Stainless bonds —



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Chairman's letter to the stakeholders

To our Stakeholders,

We are pleased to share with you our second Sustainability Report, which, for the first time, takes on a Group dimension, including the ESG impacts and performance of CSM TUBE spa and CSM MACHINERY srl. This represents a further step in the consolidation of CSM GROUP's commitment to corporate social and environmental responsibility.

With this Report we intend to offer an integrated reading of the CSM GROUP by analysing both the aggregate results and the specific impacts of individual companies. With this in mind, our aim is to communicate clearly and transparently the shared strategies, common goals and sustainability policies adopted, outlining an increasingly synergetic, coherent and long-term oriented path.

The socio-economic context in which we operate continues to be complex and changing. Persistent geopolitical tensions, inflationary pressures, supply chains and the importance

of the ecological and digital transition force companies to constantly evolve. In this scenario, we are convinced that only by integrating sustainability, innovation and responsibility into business models is it possible to generate lasting value for all stakeholders.

For years, our commitment has been translated into actions in this direction, such as the constant improvement of production processes, the high quality of products, the building of solid and transparent relationships along the entire value chain, and the protection and enhancement of the people who contribute to the Group's success every day.

The ISO 9001 compliant Management System guides us in the continuous improvement of the organisation. CSM TUBE is flanked by the ISO 14001:2015-certified Environmental Management System, which testifies to our willingness to reduce our environmental impact, and the ISO 45001:2018 Occupational Health and Safety System, which emphasises

our focus on improving safety and preserving the health of workers and external personnel. Looking to the future, we will continue to invest in advanced technology, innovation and training, gearing our processes towards an increasingly resilient and responsible transition. Our vision is based on the balance between economic performance, respect for the environment, valuing people and constructive dialogue with stakeholders, in the conviction that only a shared commitment can generate positive long-term impacts.

We would like to thank all the people who contribute on a daily basis to create this path. Your trust is our strength, sustainability our commitment to building "unbreakable" relationships.



Elisabetta Trolese

Chairman of CSM Holding S.p.A.

Marco Trolese

Managing Director CSM Holding S.p.A.



Guide to reading the Report

This Sustainability Report, hereafter also [Report] or [Document] is part of a sustainability strategy that guides the choices and daily operations of CSM GROUP, hereafter also [Group] or [Company] or [Organisation].

CSM GROUP is a manufacturing industrial group formed by CSM TUBE spa [CSM TUBE] and CSM MACHINERY srl [CSM MACHINERY]. Both companies are under the control of the sole shareholder, CSM HOLDING spa, which holds 100% of the shares and therefore presents this Document.

The publication of this first Group report, which includes the impacts related to CSM TUBE and CSM MACHINERY, is a significant step towards consolidating leadership in corporate social and environmental responsibility issues and testifies to CSM GROUP's commitment to concretely responding to global ESG challenges.

The objective of this Report is to present a consolidated view of CSM GROUP's ESG impacts and performance, analysing both aggregate results and the impacts of individual entities and communicating common strategies, shared objectives and sustainability policies both individually and at Group level.

In this Document, all issues are dealt with at the consolidated Group level.

When we refer to CSM GROUP, we mean the policies, initiatives and indicators common to both CSM TUBE and CSM MACHINERY. Where company-specific aspects are addressed, the relevant information will be attributed directly to the individual corporate entity.

The document is divided into three main sections dedicated to ESG issues, within which material issues are reported in relation to policies adopted, actions taken and benchmark indicators.

At the end of the Document, there is a section on the qualitative and quantitative objectives that the Group intends to pursue in the coming years. Finally, as the last annex to the Document, CSM TUBE's contribution to the Sustainable Development Goals (SDGs) is presented, measured through the SDGs Action Manager tool.



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Methodological note

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

CSM GROUP is an industrial manufacturing group consisting of CSM TUBE spa and CSM MACHINERY srl whose local units are located both in Italy and abroad. The entities included in the scope of this sustainability reporting are:

- CSM TUBE spa with the company headquarters located at Via del Lavoro 60 in Cimavilla di Codogné (TV) and the local unit at Via Cadore Mare 23 and 25, in Cimetta di Codogné (TV), where some offices are located.
- CSM MACHINERY srl with legal and operational headquarters located in Via Cadore Mare 25-31013, Località Cimetta di Codogné (TV).

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defined in 2021 by the Global Reporting Initiative

(GRI), such as: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability context, Timeliness, Verifiability. It is also specified that this document has not been subject to assurance by external competent bodies.

The reporting period refers to the calendar year from 1 January 2024 to 31 December 2024, which coincides with the year of the annual financial statements. The document was drawn up on a voluntary basis (the Group does not currently fall under the scope of Directive (EU) 2022/2464, better known as CSRD) and will continue on an annual basis.

This report contains information on aspects that are considered material, i.e. that reflect impacts of importance from an economic, environmental and social perspective and that are able to substantially influence stakeholder assessments and decisions.

This report was drafted together with the Working Group, consisting of an internal multidisciplinary team of different company professionals working in different areas.

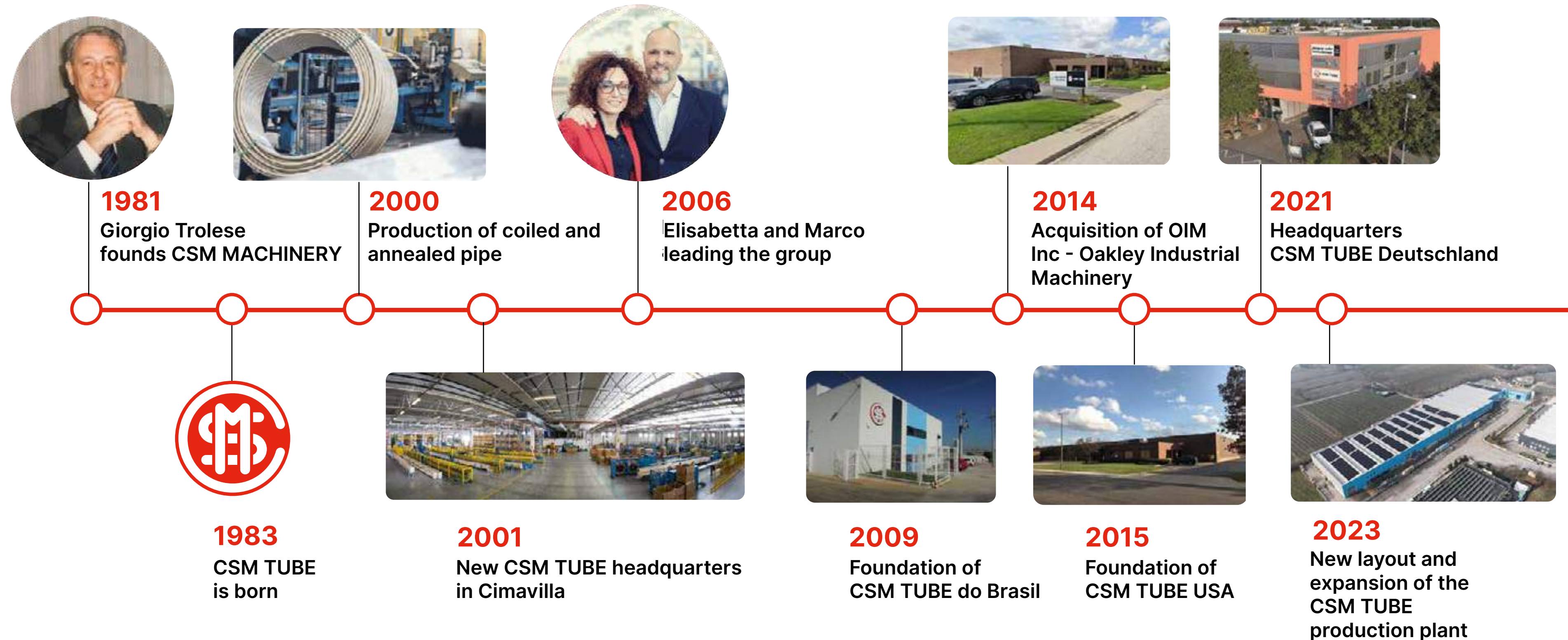
To ensure the accuracy of the information, the use of estimates has been limited as much as possible. Where necessary, such estimates have been duly pointed out within the document and are based on the best calculation methodologies currently available. Furthermore, where possible, information was provided with a comparison in relation to the 2023 financial year.

The contact point for questions regarding this Sustainability Report and the CSM GROUP's ESG strategy is: esg@csmtube.it



Our history

The CSM GROUP's legacy is rooted in Giorgio Trolese's passion for mechanics and engineering. In a courageous decision, Giorgio Trolese abandoned an established career to set up CSM MACHINERY and CSM TUBE, foresightedly perceiving the needs of a rapidly expanding sector and promoting technological innovations that are now widespread in numerous application areas. Today, the leadership of Elisabetta and Marco Trolese gives new strength to the Group, with an entrepreneurial vision in continuity with their father's and a strong vocation for internationalisation. Under their management, CSM GROUP has consolidated itself as a global player, with 7 active companies, exports to 74 countries and over 200 employees worldwide.





Mission and Values

Like stainless steel, our corporate bonds withstand the challenges of time by forging lasting connections with our internal and external stakeholders. Trust and integrity characterise us as experienced professionals with established leadership. These are the ideals, values and aspirations that guide CSM GROUP in its daily decisions.

What we believe in:

- 1. PASSION AND KNOWLEDGE OF THE SECTOR:** engineering knowledge is in our DNA from the very beginning and is reflected in our commitment to meet customer needs with targeted solutions
- 2. SENSITIVITY AND SAFETY:** towards people in terms of career satisfaction, workplace well-being and safety
- 3. SOLIDITY AND TECHNOLOGY:** in more than 40 years of activity we have honed technical skills and achieved significant financial results
- 4. FORESIGHT AND RESPONSIVENESS:**
continuous investment in innovation has led us to anticipate market needs
- 5. GLOBAL PRESENCE AND COMPLEMENTARITY:**
the seven companies that make up the Group cover the entire production chain, from stainless steel tube processing to the manufacture of smart machinery for the production of heating elements and stainless steel tubes



CSM TUBE

Stainless Tube production:
**high standards &
absolute customization**



#stainlessbonds



Group Profile

CSM GROUP is a manufacturing industrial group with common synergies and visions, consisting of CSM TUBE spa that produces stainless steel tubes and CSM MACHINERY srl that manufactures machinery for the production of both heating elements and stainless steel tubes.

CSM TUBE

CSM TUBE is a manufacturer of stainless steel tubes. The Ateco Code to which the company's activities refer is 24.2 - manufacture of steel tubes, pipes, hollow sections and related accessories (excluding those in cast steel).

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

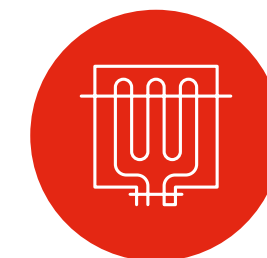
of stainless steel tubes, such as heat-treated tubes in coils or bars from strip, high-quality stainless steel tubes, AISI 300/400, and high-nickel tubes with a high degree of customisation for specific customers.

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

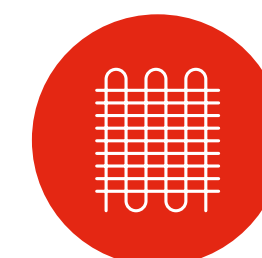
Today, CSM TUBE has a production site of 12,000 m². This growth has been achieved thanks to the positive market response dictated by the Qualit of the products supplied, the service, competitiveness, and continuous technological innovation that CSM TUBE has been able to guarantee.

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

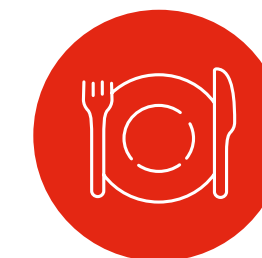
The application range of products manufactured by CSM TUBE is aimed at different industrial sectors, among which we can mention:



Heating elements



Heat exchangers



Food and beverage



Energy



Heating equipment



Automotive



Solar collectors



Air conditioning hoses

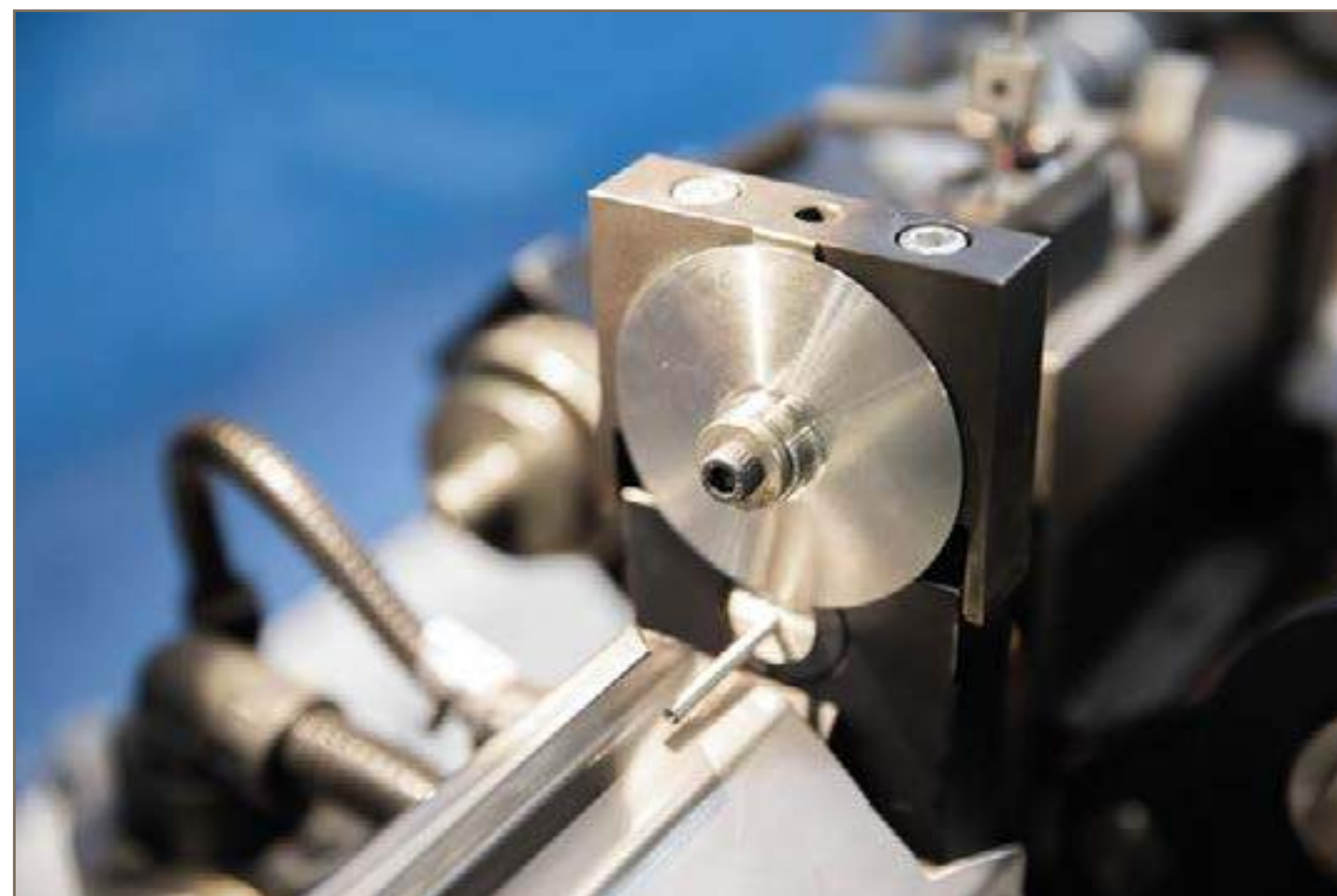
The factory in Cimavilla (TV) produces stainless steel tubes in bars and coils, starting from strip already cut to length. The strip is continuously fed by a decoiler and a series of shaping rollers bends it into its final tube shape and then conveys it to an enclosed welding chamber, where the flaps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



This can be carried out using TIG technology in a protected atmosphere or laser technology. After welding and before being cut to length, the tubes may or may not undergo the following in-line operations:

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

The tubes are 100% checked by means of Eddy Current Test in accordance with EN ISO 10893/1 and 10893/2, to verify the absence of any holes and weld discontinuities, with automatic separation of the compliant parts from the rejects; lastly, the tubes are cut to length or coiled. The coiled tubes are 100% pressure tested. The finished product is then packed and shipped in two main ways: cardboard boxes on wooden pallets for coiled tubes and softwood crates for bar tubes.



CSM MACHINERY

CSM MACHINERY designs and manufactures machinery for the production of heating elements and stainless steel tubes. The ATECO code to which the company's activities refer is 28.2 - Design and manufacture of semi-finished machinery and mechanical and electronic accessories

CSM MACHINERY's commitment to technological innovation in the field of tubes and heating element machinery originated over forty years ago, with the founding of CSM Engineering by Giorgio Trolese. Initially, the business focused exclusively on the construction of plants for the production of stainless steel tubes for the man-

ufacture of heating elements. Over the years, CSM MACHINERY has expanded its scope by also starting to design and build machinery for the production of the heating elements themselves. After an initial phase characterised by standard models and simple solutions, the company has evolved its expertise towards a range of highly specialised machines that can be used in a wide range of industrial applications.

Today, CSM MACHINERY offers a generation of machines for forming, welding, cutting to length, straightening and calibrating the ends of stainless steel tubes.

Thanks to the operator interface that can recall

stored parameters according to product type, the machine has a fast set-up time. This feature makes it possible to increase production volumes while minimising downtime. A special computer coordinates the machine's activity by programming the quantity and length of tubes to be produced. In addition, a diagnostic programme is available that reports any operational anomalies. Welding quality and control are guaranteed by the TIG welding system with inert atmosphere. The weld monitoring camera constantly checks the position of the web edges and electrode wear.





Double Materiality Analysis

Over the past year, the CSM GROUP, although not subject to mandatory obligations, has embarked on an important path towards an ever greater integration of sustainability into its corporate strategy, also in light of the regulatory evolution introduced by Directive (EU) 2022/2464, known as the Corporate Sustainability Reporting Directive (CSRD). This Directive represents a turning point for non-financial reporting, aiming to standardise and strengthen the transparency and comparability of environmental, social and governance (ESG) information disclosed by European companies. Among the main innovations introduced by CSRD is the adoption of the principle of Double Materiality, which changes the approach to the analysis and reporting processes of ESG issues. According to this approach, companies are required to consider two perspectives:

- **Impact materiality** : refers to the significant effects, positive or negative, actual or potential, that the company's activities generate on people, the environment and the society, including human rights, along the entire value chain;

- **(Financial Materiality)** : refers to risks and opportunities related to ESG factors that may affect the company's financial performance, economic position or ability to generate value over time.

This dual perspective allows a distinctive view of corporate value and responsibility, significantly broadening the horizon of reporting compared to previous approaches.

Aware of these evolutions, CSM GROUP has chosen to adopt an integrated sustainability model, in which ESG dimensions are not treated as separate areas, but as essential elements linked to growth strategy, risk mitigation and long-term value creation. The adoption of an information linkage approach, i.e. **the analysis of interdependencies between financial and non-financial variables**, has enabled the integration of sustainability within the company's business model to be strengthened, also by aligning ESG and economic-financial objectives, oriented towards the creation of long-term value for all stakeholders involved. Central element of this process was the realisation **of the Double Materiality Analysis**.

To define the priorities on which to base its sustainability reporting CSM GROUP confirmed the analysis, carried out in 2023 for CSM TUBE, **of impact materiality** in line with GRI Standard 3: Material Topics 2021. In particular, an inside-out approach was adopted for impact materiality, aimed at identifying the impacts generated by the organisation externally on people, the environment and society resulting from its operations and value chain. This analysis formed the basis for understanding stakeholder expectations and identifying the most relevant ESG issues. It was also considered valid for the CSM MACHINERY context, as the material issues were found to be common and CSM TUBE's impact on these issues was found to be the most significant at Group level, both in terms of economic, environmental and social impacts.

In 2024, the assessment of **Financial Materiality** was initiated as an internal voluntary exercise, according to the latest guidelines published by EFRAG, consistent with the European Sustainability Reporting Standards (ESRS), with the aim of assessing ESG risks and oppor-

tunities that can influence the company's economic and financial performance in the short, medium and long term (outside-in approach).

The process, which started in 2023 with the implementation of Impact Materiality for CSM TUBE, included a strong participatory component, involving internal stakeholders (such as management, key business functions and the Board of Directors) and external stakeholders representing the plurality of interests and perspectives relevant to the company's business. The active involvement of stakeholders took place through an ESG questionnaire administered to the relevant stakeholders, which helped map expectations, perceptions and priorities, reinforcing the legitimacy and robustness of the process.



The double materiality analysis was, therefore, the result of a process, started in 2023 and continued in 2024, which can be schematised in five steps as follows.

Understanding the context of the Organisation

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

Assessing the importance of the impacts and stakeholder engagement

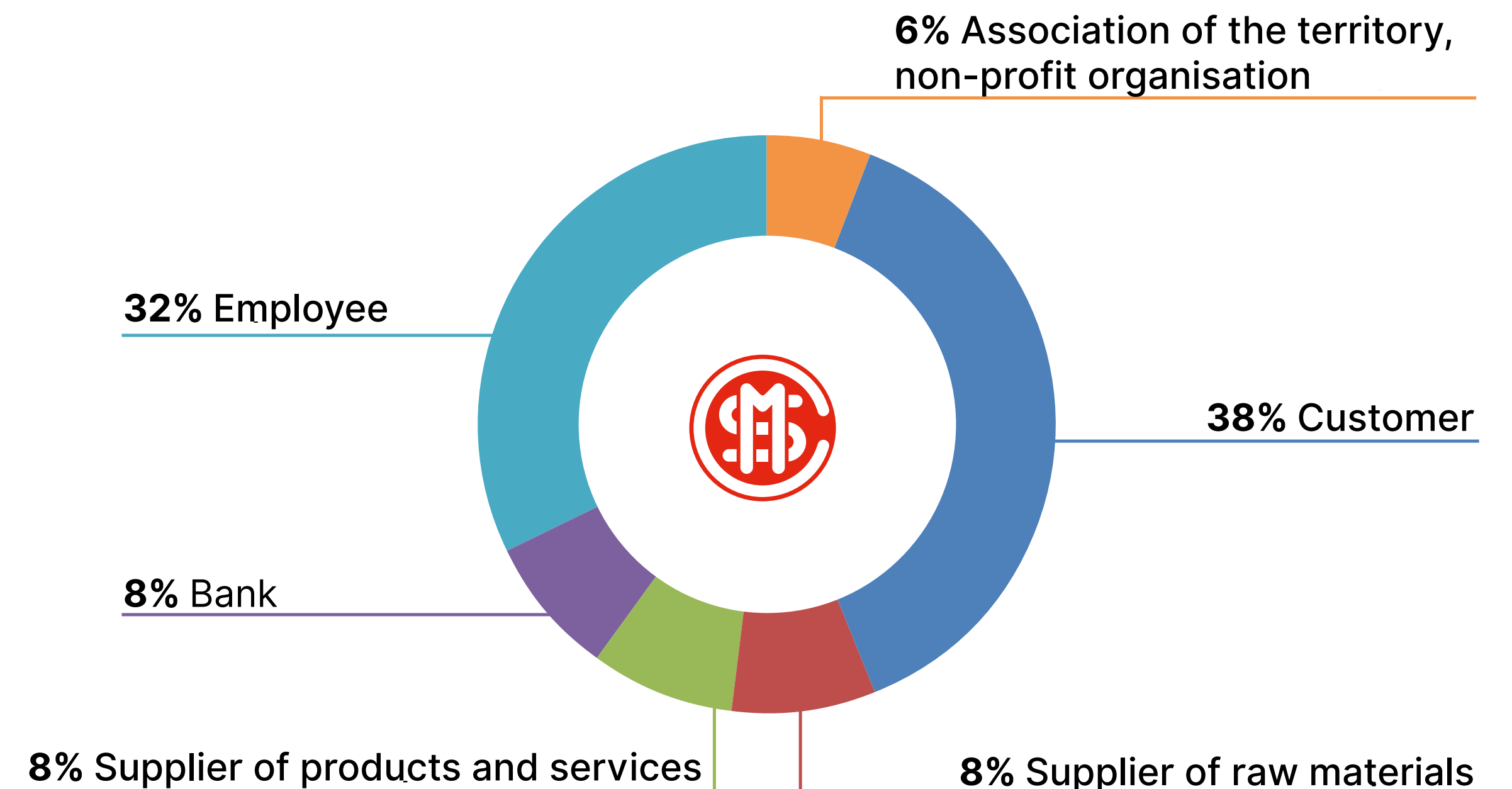
A third step, carried out in 2023, involved the assessment of the extent of impacts through the identification and involvement of key corporate stakeholders. Stakeholders are defined as all those individuals or groups with some kind of interest on which the company's activities have or could have an impact. The identified stakeholders who may be affected by or influence the Company decisions, actions and results are listed below:

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

The engagement of internal and external corporate stakeholders took the form of an **ESG survey** submitted to the categories of stakeholders identified as most relevant, through which they were asked to attribute a value with respect to the significance of the impact related to CSM TUBE's activity in relation

to each material topic, on a scale of 1 to 5. The results of the questionnaire made it possible to prioritise sustainability issues. The percentage distribution of stakeholder categories that participated in the ESG questionnaire is shown in the graph below.

Percentage distribution of stakeholder categories that participated in the ESG questionnaire





Identification of impacts, risks and opportunities

In 2024, CSM GROUP conducted an **analysis of financial materiality**, identifying **risks** and **opportunities** potentially generating significant impacts on the Group's business model and financial performance.

From a financial perspective, CSM GROUP applied the criterion of financial relevance to assess risks and opportunities according to an objective criterion, using appropriate quantitative scales. In detail, an assessment was made on the basis of a risk-opportunity matrix:

- the magnitude on five levels, assessing the severity dimension, depending on selected ranges of financial exposure
- the probability on five levels, depending on the potential for occurrence.

Combining the levels of magnitude with those of probability gives rise to the level of impact/risk/opportunity on five levels:

- Low
- Moderate
- Medium
- High
- Very high

The product of these two metrics determined a score assigned to each risk or opportunity, which was then used to create a range and establish the financial relevance of the various material issues considered.

The list of **IROs (Impacts, Risks, and Opportunities)** that emerged upon completion of this process was shared with CSM GROUP's management and Executive Management, who confirmed its strategic relevance.

This analysis was carried out in accordance with ISO 31000 guidelines. It is important to note that for the assessment of risks and opportunities, the residual risk was assessed, i.e. the risk after consideration of specific management systems and safeguards to

ensure its mitigation. This assessment was carried out with the sustainability team and the manager in charge of bookkeeping and then shared with the Board of Directors for approval.














The topic of Biodiversity, which was previously included in CSM Tube's Sustainability Report in 2023, was excluded from this Group report as it was considered irrelevant to CSM Machinery's core business and below the cut-off threshold for CSM GROUP's financial materiality. The other material issues are confirmed.

The table below shows the **IROs, impacts, risks and opportunities**, which emerged from the Double Materiality Analysis just described. The scope of the assessment includes all areas relevant to sustainability, i.e. the effects generated by the company on people and the environment, not only through directly controlled and managed activities, but also along the entire value chain, including suppliers (upstream) and customers or other stakeholders (downstream).















Material issues and their impacts, risks and opportunities (IRO).


















+: positive impact,-: negative impact; **A**: actual impact, **P**: potential impact; **BT**: short-term time horizon, **MT**: medium-term time horizon, **LT**: long-term time horizon.

Area ESG	Material topic	I/R/O	Description	Perimeter			IRO Relevance
				upstream	CSM Group	down-stream	
Enviroment	 Emission of toxic substances and waste production	Impact	+/A Management and disposal of hazardous and non-hazardous waste from production activities, in order to limit the impact of waste and chemical substances potentially harmful to humans and the environment.				LOW 
		Opportunities	BT Improving the production process by reducing company waste is an opportunity to increase efficiency, decrease costs and strengthen corporate sustainability. Discards, if analysed and managed strategically, reveal correctable inefficiencies that allow resources and Quality to be optimised. This transformation can not only improve margins, but also help build a stronger environmental and operational reputation.				MODERATE 
	 Circular Economy	Impact	+/A Development of circular economy initiatives, such as the purchase of steel from recycled materials and the definition of packaging solutions for the recovery and reuse of materials.				MODERATE 
		Opportunities	BT Reductio of costs by optimising the use of packaging and waste management. Through targeted design, waste and disposal costs could be minimised. Collaborating with other stakeholders external parties in circular economy projects can allow waste to be exploited as a resource, improving supply chain efficiency and generating new opportunities for innovation and strengthening corporate reputation.				MODERATE 
	 Management of water resources	Impact	+/P Solutions to reduce water consumption within the Organisation.				LOW 
		Risk	LT The Group uses water marginally in the production process, but rising water supply costs represent an increasing business risk. Water scarcity, resource pollution and increasingly stringent regulations can drive up the cost of water supply.				LOW 
	 Energy and greenhouse gas emissions	Impact	+/A Development of solutions for the energy efficiency of business processes and the use of energy from renewable sources, both through the purchase and self-generation from photovoltaic panels.				MEDIUM 
		Risk	MT An increase in energy consumption can lead to higher operating costs, especially in scenarios of volatile energy prices. The company may suffer erosion of margins and reduced competitiveness.				MEDIUM 
		Risk	MT The company's contribution to climate change through greenhouse gas emissions may result in significant regulatory risks, such as the introduction of emission taxation systems or offset obligations for the steel sector, as well as penalties due to increasingly stringent regulations or stricter emission reporting requirements. These mechanisms can significantly increase operating costs and reduce the profitability of projects, especially in the absence of transition plans to low emission models. In addition, failure to reduce emissions may jeopardise access to sustainable financing, reduce attractiveness for ESG investors and generate increasing reputational risks.				LOW 



Area ESG	Material topic	I/R/O	Description	Perimeter			IRO Relevance
				upstream	CSM Group	down-stream	
Social	 Workers' health and safety	Impact	+/A identification and application of measures to protect against and prevent the risk of injury to workers arising from the use of machinery, equipment or plants. Monitoring and continuous improvement of the Health and Safety System. Organisation of training and awareness-raising activities aimed at the adoption of responsible behaviour, promoting the development of a Culture of Health and Safety.		●		HIGH 
		Opportunities	MT Extend the application of good health and safety practices, in addition to the legal obligations, already defined for CSM TUBE to the operational context of CSM MACHINERY		●		LOW 
	 Development of human capital	Impact	+/A Involvement, valorisation and growth of personnel, including through training and skills upgrading, in order to increase their personal value and, at the same time, accelerate their progress towards the Organisation's objectives.		●		MEDIUM 
		Opportunities	MT Investing in workers' skills through training and professional development activities is a strategic opportunity to improve the Organisation's productivity, operational efficiency and innovation capacity. In the medium term, such investments can result in increased competitiveness, reduced turnover, retention and attraction of talent and a more skilled and resilient workforce to change.		●		MODERATE 
	 Working conditions and environment	Impact	+/A Ensuring a working environment and conditions that are appropriate and respectful of human dignity, informed by fairness, respect, inclusion, cooperation, and the promotion of equal rights and opportunities for all workers and free of discrimination. Implement Corporate welfare policies.		●		MEDIUM 
		Risk	MT The absence of effective strategies to attract and retain qualified personnel can lead to a reduction in employee satisfaction and motivation, resulting in lower productivity and increased turnover. Night shifts also present biological, psychological and social challenges for employees that, if not properly managed, can push employees to leave the company. This leads to additional costs for the selection and training of new personnel, loss of key skills and possible deterioration in the quality of work, negatively affecting the company's economic performance and competitive ability.		●		LOW 
		Opportunities	BT Investing in welfare practices and policies, rewards and in creating a good working climate can be a strategic choice to improve operational efficiency and retention. In the short term, such investments can result in increased competitiveness and reduced turnover.		●		MEDIUM 
	 Relations with the Local communities and area	Impact	+/A Maintain and manage relationships with Schools, associations and non-profit organisations, in order to generate a positive impact on the Local communities in the areas in which the Company operates.		●	●	MODERATE 
		Opportunities	MT Developing and maintaining strong relationships with Schools, local communities and authorities and non-profit organisations can significantly enhance the company's reputation. These activities can facilitate access to new market opportunities and create beneficial synergies that result in immediate economic benefits and increased attractiveness of the workforce belonging to the area.		●	●	LOW 



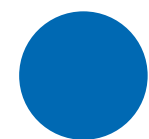
Area ESG	Material topic	I/R/O	Description	Perimeter			IRO Relevance
				upstream	CSM Group	down-stream	
Governance	 Managing the legal and regulatory context	Impact	-/P Reputational damage, loss of competitive advantage, and risk of business interruption resulting from ignoring the legal context and not participating in the sector's regulatory developments.		●	●	MEDIUM 
		Risk	BT In the industrial machinery sector, the placing on the market of machinery with non-compliant characteristics or which may cause harm to the user constitutes a critical and multidimensional business risk. This risk manifests itself on a technical and regulatory level, as well as on an economic and reputational level. Non-conformity may result from design faults, inadequate materials, lack of protection or incorrect instructions.		●	●	LOW 
		Opportunities	MT Penetrating heavily regulated business sectors is a lever of growth and differentiation for a company in the steel tube industry. Some sectors, however, require high standards of Quality, safety and regulatory compliance.		●	●	MODERATE 
	 Supply chain	Impact	+/P Assessing suppliers not only on quality, reliability and economic conditions, but also on the basis of risk and ESG performance, in order to amplify positive impacts and reduce negative ones.	●	●		MEDIUM 
		Risk	LT In the steel industry, relying on mono-suppliers exposes the company to significant risks: any interruption in supply can cause production stoppages, cost increases and loss of competitiveness. Dependency can also lead to a contractual imbalance, with less bargaining power. If the supplier is foreign, moreover, geopolitical, customs and price volatility factors come into play.	●	●		LOW 
		Opportunities	LT In the industrial machinery sector, forming strategic partnerships with suppliers can allow them to delegate part of production, reducing costs and increasing flexibility, so that they can focus on design and innovation. Suppliers become true allies, bringing expertise, customised solutions and advanced technologies. This model can improve efficiency, accelerate development and make the company more responsive to market changes, especially in a context oriented towards digitisation, sustainability and customisation.	●	●		MEDIUM 
	 Innovation management	Impact	+/A Creating a culture of process, product and service innovation to respond to changing market needs and requirements.		●	●	HIGH 
		Risk	MT The introduction of innovative solutions that do not meet with market interest or do not generate a competitive advantage may result in a lack of return on investment in research and development, production and marketing. This strategic misalignment can also result in a loss of market share, undermining the company's position in its industry and making it more difficult to regain credibility with customers and business partners.		●	●	LOW 
	 Business Ethics and Integrity	Impact	+/A Adoption of decision-making processes and conduct based on criteria of diligence, transparency, responsibility, fairness, integrity, impartiality and anti-corruption in all aspects of Company operations.	●	●	●	MEDIUM 
		Risk	BT Adoption of business practices not aligned with the principles of ethics, integrity and transparency can cause significant reputational damage, undermining the trust of customers, investors and employees. This may result in a loss of business opportunities, possible legal sanctions and a weakening of the company's financial and operational stability in the short term.	●	●	●	LOW 
	 Data management and Cybersecurity	Impact	-/P Inadequate awareness and management of cybersecurity issues with cyber attacks causing breaches of customer and company data privacy.		●	●	MEDIUM 
		Risk	BT The presence of vulnerabilities in corporate digital systems can lead to the risk of business continuity disruption. Cyber attacks, security breaches or system malfunctions can lead to the temporary blocking of specific production processes interconnected with IT systems (especially for CSM Tube), with direct impacts on productivity. Such disruptions can generate significant costs, both for emergency management and for the economic losses resulting from non-operation and possible delays in the supply chain.		●	●	MEDIUM 



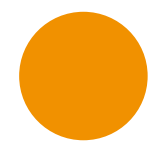
Materiality Matrix

The output that the materiality analysis process returned was processed and formalised within a two-dimensional graph called **Materiality Matrix**, where the x-axis shows the results of the financial materiality analysis and the y-axis the results of the impact materiality analysis.

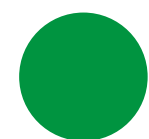
Key



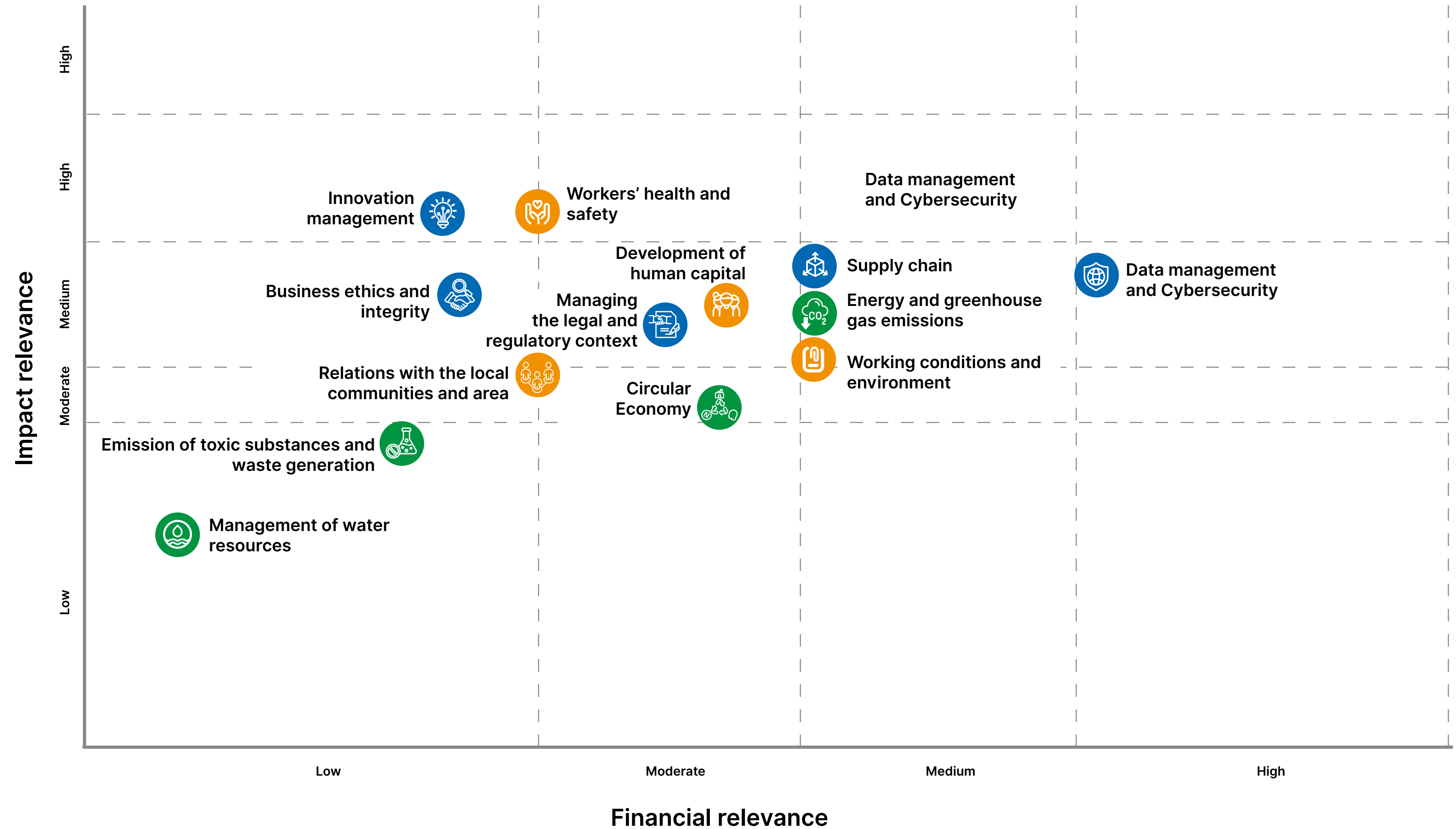
Governance



Social



Environment



Governance



Innovation management



Supply chain



Business ethics and integrity



Data management and cybersecurity

















Managing the legal and regulatory context



CSM GROUP

The following paragraphs describe the organisational structure in terms of corporate governance of CSM TUBE and CSM MACHINERY. The Group bases its industrial relations policy on a constructive dialogue, which aims at involving the various company figures and maintaining a good company climate. The search for shared solutions results in a total absence of conflict of interest. No critical issues were reported to the highest governing body during the reporting period. The following table **summarises the main practices adopted in terms of corporate governance and certification between the two Group companies.**

DESCRIPTION OF PRACTICE	 CSM TUBE	 CSM MACHINERY
Board of Directors		
Independent Auditor		
Board of Auditors		
Supervisory Board pursuant to (It.) Legislative Decree 231/01		
Code Of Ethics		
Supplier Code of Conduct		
ISO 9001 certification		
ISO 14001 certification		
ISO 45001 certification		

CORPORATE GOVERNANCE CSM TUBE spa

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

The structure of the corporate bodies as at 31 December 2024 comprises, in detail:

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

updating of the Organisation, Management and Control Model pursuant to (It.) Legislative Decree no. 231/01;

All the members of the **Board of Directors** of CSM TUBE, appointed by the Ordinary Shareholders' Meeting, hold other offices only within the Companies of the Group, with the exception of the Managing Director of CSM TUBE who also holds the position of Director within the Industrial trade association Centro Inox.

The Directors remain in office, subject to revocation and resignation, for a period of three financial years. The term of office is renewed at the Ordinary Shareholders' Meeting convoked to approve the financial statements (the Board of Directors' term of office expires with the approval of the 2026 financial statements).

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

The members of the Board of Directors are broken down by gender and age group in the table below.

Board of Directors of CSM TUBE SpA as at 31 December 2024

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

There are no independent members on the Board of Directors of CSM TUBE, and the Chairman is not a senior executive of the Organisation.

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, as well as compliance with the principles of good management. It consists of 5 persons, a Chairman, two Standing Auditors and two Alternate Auditors.

Sixty per cent (60%) of the members of the Board of Statutory Auditors are women and each member meets the requirements of honourableness, professionalism, and independence laid down by law. The members of the Board of Statutory Auditors are in office until the date of the Shareholders’ Meeting convoked to approve the Financial Statements as at 31 December 2026.

CORPORATE GOVERNANCE CSM MACHINERY srl

CSM MACHINERY is a limited liability company registered with the Register of Companies of Treviso. CSM MACHINERY is under the control of its sole shareholder, CSM Holding spa, which holds 100% of its shares.

The structure of the corporate bodies as at 31 December 2024 comprises, in detail:

- The Board of Directors that carries out all operations necessary to achieve the corporate purpose and manages the company with the diligence required by the nature of the task;
- The Independent Auditor, responsible for the statutory audit of the financial statements;

The members of the **Board of Directors** of CSM MACHINERY hold other offices only within the Group Companies and are appointed by the Ordinary Shareholders’ Meeting. Directors remain in office, subject to revocation and resignation, for an indefinite period.

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

The members of the Board of Directors are broken down by gender and age group in the table below.

Board of Directors of CSM MACHINERY Srl as at 31 December 2024

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

There are no independent members on the Board of Directors of CSM MACHINERY, and the Chairman is not a senior executive of the Organisation.



Sustainability governance

The Board of Directors of CSM HOLDING S.p.A. also plays a central role in the process of laying down corporate strategies with respect to environmental management, including climate change, and social issues. The annual Sustainability Report is prepared through a process involving multiple internal company functions, such as shareholders, the board, HR, HSE, purchasing, finance, operations, quality, R&D, and sales. These figures form the **ESG team** of CSM GROUP, which is responsible for overseeing the implementation of sustainability initiatives and monitoring performance. This process includes the collection and analysis of data on activities, business reports and internal initiatives, as well as the engagement of stakeholders to ensure an inclusive view of the impacts.





Innovation management



CSM GROUP demonstrates a strong customer focus, basing its approach on **innovation, research and development** as fundamental pillars.

This strategy highlights the company's ongoing commitment to actively listening to stakeholders in order to identify the most effective solutions to propose. The investments made in recent years have enabled CSM GROUP to face new market challenges with greater resilience and competitiveness.

The synergy between the two Group companies is crucial. CSM MACHINERY does not just design machines, it constantly evolves them. The strategic partnership with CSM TUBE is a key element of this philosophy, allowing the machines to undergo rigorous operational testing in real environments.

CSM MACHINERY's strong skill and technology base fuels the design of state-of-the-art equipment, while CSM TUBE actively contributes by providing data and feedback from the practical use of the systems. This two-way flow of information allows for constant performance refinement, ensuring that the final products meet the highest quality standards required by the market.

The collaboration between CSM MACHINERY and CSM TUBE takes the form of a virtuous circle of innovation: on the one hand, CSM MACHINERY's R&D division leads the design and prototyping phases; on the other, CSM TUBE's field experience generates valuable insights that translate into concrete improvements. Every machine made is not simply built, but is the fruit of a continuous evolutionary process, shaped by the synergy between know-how, experimentation and the constant search for excellence.

CSM TUBE

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

The research and development activities carried out over the last few years have made it possible to increase the range of products supplied, not only in terms of new types of tube but also by extending the production range to new diameters, enabling the welding of tubes with a diameter/thickness ratio of less than 8 mm and with the ultimate goal of being able to weld new alloys. Describing the main projects undertaken in the R&D area

in 2023, a new process was implemented that allowed the **assembly of the tube with an aluminium profile inside**, which had the objective of increasing heat dispersion within an exchanger. The design was developed in partnership with a customer and made it possible to streamline the process, reducing several production steps and providing the customer with an integrated solution.

During **2024**, an **innovative production line was designed**, developed in collaboration with the University of Padua. The project was realised using forecasting simulation software based on the principles of the "Digital Twin" and made it possible to set up a pilot-scale plant in a virtual environment, with the aim of finding the best solution in terms of a number of parameters, including metallurgical stress, tube roundness, and related mechanical properties.



In the first half of 2024, a second line was started up, also equipped with the engineering layout co-designed with the University of Padua, in synergy with CSM MACHINERY. A laser welding source has been integrated on this new line, leading to a marked increase in internal productivity and improved process time efficiency.

At the same time, a feasibility analysis started in 2024 to automate the process of testing and packaging the coiled pipe. This project aims to improve product traceability, reduce the physical effort of the operator and support his/her work more effectively. The goal is to have the plant operational by 2026.

Also looking to the future, an automated moulding head adjustment project is scheduled to start in 2025, with the ambitious goal of achieving a fully automated moulding head adjustment line by 2026.

CSM MACHINERY

In recent years, CSM MACHINERY has embarked on a path towards standardisation of the machines in its catalogue, implementing uniform and modular options that allow customers to configure solutions according to their operational needs.

Over the past year, CSM MACHINERY has undertaken significant upgrades to existing machinery, choosing to adopt a **standard PLC** which has enabled standardised human-machine interfaces. This choice has **improved the functionality of the systems and the operational efficiency of the operators**. In addition, all machines are interconnected remotely, ensuring a more timely, flexible and responsive service.

Looking to the future, new types of machines are planned to be introduced in 2025 to expand the product range and respond more specifically to market demands. Another important goal is to adapt part of the current product portfolio to the regulations required for entry into the North American market.

Digitalisation project CSM GROUP

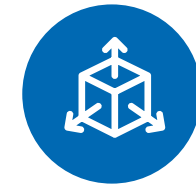
Starting in 2021, CSM GROUP began a **digitalisation** process, started in CSM TUBE with the monitoring of production data with the aim of improving its traceability, monitor the production process in a more punctual manner, and digitise information and data that were previously recorded in hard copy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



The production digitisation project has been fully operational since 2023 and has immediately generated major improvements. In 2025, the Group will embark on a project to de-materialise more business processes, with the aim of increasing efficiency, reducing costs, improving information security and increasing environmental sustainability. We will start with some administrative processes and then move on to personnel management, quality management and then finish with the passive and active cycle.



Supply chain



CSM GROUP recognises that operating in line with the principles of Sustainable Development and ensuring the highest standards of integrity requires the active involvement of its supply chain. This commitment translates into building relationships based on mutual trust and attentive listening to common interests, needs and expectations. CSM GROUP is aware that the lasting success of the company depends not only on the quality of its products, but also on responsible and strategic management of the entire supply chain. The ability to mitigate risks, including those related to ESG criteria, is an essential factor in ensuring business continuity and resilience.

CSM GROUP, aware that the values in which it believes can only be fully respected if they are shared with all its business partners, has defined, in 2024, a **Suppliers' Code of Conduct** that applies to all the Group's suppliers, who must in turn ensure that their suppliers, i.e. the subcontractors of, as well as any other third party working on their behalf, act in full compliance with the principles outlined in this document.

The Supplier Code of Conduct is published on the company website. By means of a clause inserted in purchase orders, all the company's suppliers are required to comply with the principles described in this document in order to do business with the Group.

principles described within the Supplier Code of Conduct are divided into the three ESG areas, defining requirements related to human rights, ethics and the environment.

Supplier Code of Conduct establishes fundamental principles for ethical and responsible supply chain management, including the prohibition of child and forced labour, discrimination and abuse, health and safety at work, compliance with regulations on wages, benefits and working hours, integrity in business relationships, prevention of corruption and conflicts of interest, protection of intellectual property and privacy, and commitment to environmental sustainability.

Analysing the Group's supply chains, for CSM TUBE it is characterised by the presence of historical suppliers of goods and services including, predominantly, suppliers of steel strip and coils, assets and spare parts, packaging, transport and the provision of other types of services. Materials account for the bulk of procurement to cover the company's needs, both in terms of volume of material procured and expenditure.

For CSM MACHINERY, on the other hand, the supply chain is mainly characterised by the presence of suppliers who carry out third-party machining, carpentry, suppliers of electronic and mechanical materials and other types of services.

In accordance with the company's management system, strategic suppliers are evaluated on various parameters such as quality performance and on-time delivery.

Based on these parameters, extrapolated from the company's management system, a **vendor rating** is generated to assess supplier performance, identifying the strengths and areas for improvement of each supplier.





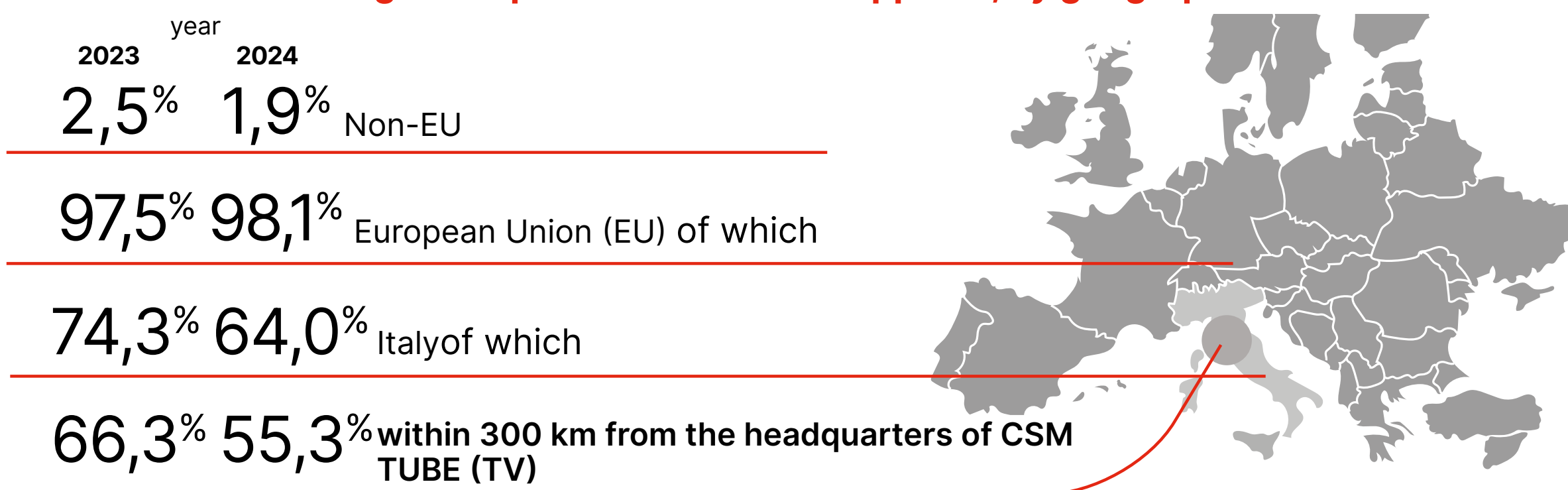
Geographical supply chain location analysis

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

The main suppliers of CSM TUBE and CSM MACHINERY were selected for the analysis, based on their procurement expenditure during the fiscal years 2023 and 2024. For the selection of the main suppliers, we chose to consider suppliers who accounted for, in both years, at least 93.5% of the total supply expenditure, considering all Group suppliers in the analysis, with the exception of suppliers with an expenditure amount of less than EUR 30,000.

The calculation does not take into account expenses related to utilities, rents and personnel costs (staff companies). Intra-group expenses were also deducted from the calculation.

Percentage of expenditure on local suppliers, by geographical area



To calculate the distances, we took into account the location of the supplier where CSM TUBE and CSM MACHINERY make their purchase.

The following table shows the percentages of expenditure to suppliers located outside the EU, in the EU, in Italy and within 300 km of the Cimavilla di Codogné (TV) site.

The company also collects information about the certifications held by suppliers. In particular, Quality, health and safety, and environmental certifications are analysed.

In 2023 and 2024, a detailed analysis was carried out, at Group level, on the

company's suppliers who accounted for 96.1% of procurement expenditure, considering the criteria defined above, in order to gather information on the certifications they hold. The data were collected through information provided by suppliers or public data reported on the websites of supplier companies and are expressed, in the following table, as a percentage of procurement expenditure for suppliers with quality, environmental, health and safety certifications.

The above analysis shows that **most of the company's procurement expenditure is towards suppliers certified in the areas of quality, environment, and health and safety**, with percentages increasing in 2024 compared to 2023.

It should be noted that, where applicable, declarations are collected from suppliers about the compliance of their products with REACH and RoHS, Conflict Minerals, as well as "Preferential Origin" and "Made in" declarations.

Percentage of expenditure for suppliers with certifications

TYPE OF CERTIFICATION	% of expenditure year 2023	% of expenditure year 2024	Δ% 2024 VS 2023
Quality Management System - ISO 9001	86.1%	87.6%	+1.5%
Environmental Management System - ISO 14001	74.5%	81.0%	+6.5%
Health and Safety Management System - ISO 45001	71.2%	78.3%	+7.1%



Business ethics and integrity



CSM GROUP considers ethics and integrity as essential and non-negotiable values, recognising them as indispensable prerequisites for generating genuine, lasting and responsible business success. This commitment is set out in the CSM TUBE Code of Ethics and the CSM MACHINERY Code of Ethics. The Code of Ethics is an official document, approved by the Board of Directors, the observance of which is of fundamental importance for the good functioning, reliability and reputation of the Company.

• Business management and standards of conduct. CSM GROUP is responsibly and firmly committed to preventing all forms of discrimination and harassment in the workplace. The company categorically rejects the use of forced, compulsory or child labour and actively promotes respect for the dignity of every worker. By valuing diversity, ensuring equal opportunities and continuously investing in training, CSM GROUP builds a professional environment that is fair, inclusive and oriented towards personal and collective growth.

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

- Integrity, honesty, fairness and conflict of interest;
 - Respect for the dignity of the individual and a commitment to enhance professional skills;
 - Human Rights;
 - Transparency of transactions and unfair competition;
 - Transparency in accounting;
 - Protection of health & safety and the environment;
- During the reporting period, no incidents of discrimination based on race, colour, gender, religion, political opinion, nationality or social origin, nor other forms of discrimination involving internal and external stakeholders of the organisation, were detected.
- CSM TUBE has also adopted, since 2018, an **Organisational, management and control model pursuant to (It.) Legislative Decree 231/01**, which covers Occupational Health and Safety issues. This document includes general rules of conduct laid down to prevent the commission of offences.

The Supervisory Board (SB), established pursuant to (It.) Legislative Decree no. 231/01, has the task of monitoring compliance with the procedures set out in the Organisation, Management and Control Model.

During 2024, the Supervisory Board regularly carried out the audits provided for in the annual plan and also sent the annual report to the Board of Directors.

CSM GROUP adopts a zero-tolerance policy towards corrupt practices, illegitimate favours, and collusive behaviour.

The Group has adopted the **Whistleblowing Procedure** for both CSM TUBE and CSM MACHINERY, the latter adopted on a voluntary basis. The purpose of the Whistleblowing Procedure is to enable any person to report, even anonymously, unlawful conduct, even alleged conduct, of which he/she has become aware within his/her work context. The person in charge of receiving, analysing and verifying reports is for CSM TUBE the Supervisory Board

and for CSM MACHINERY a person external to the company.

CSM GROUP is committed to disseminating awareness of the Code of Ethics and of the Whistleblowing Procedure by publishing these documents both internally and externally. In 2024, no reports were received that led to corrective action or measures by the Supervisory Board.

CSM GROUP adopts a zero-tolerance policy towards corrupt practices, illegitimate favours, and collusive behaviour. It is absolutely forbidden to favour, directly or through third parties, personal advantages for oneself or others, contrary to the principles of fairness, honesty, respect, and professionalism.

It should also be noted that, during 2024, there were no cases of non-compliance with laws, regulations and incidents of corruption, and no legal actions were initiated concerning anti-competitive behaviour and violations of antitrust laws in which CSM GROUP was identified as a participant.



Data management and cybersecurity



CSM GROUP is actively engaged in managing privacy and cybersecurity issues, adopting preventive measures and targeted strategies to reduce the risk of data breaches and ensure business continuity in the event of cyber threats. This focus reflects the Group's desire to safeguard sensitive information and protect the integrity of its business processes, while safeguarding the trust of internal and external stakeholders.

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

CSM GROUP has promoted **training courses** addressed to all company staff using IT tools, with the aim of raising awareness on the importance of data protection and encouraging responsible practices in the use of digital technologies. This commitment is part of the strategy to strengthen the corporate culture on IT security and information protection.

Periodic **"phishing simulation" campaigns** are carried out to test users' attention to the above-mentioned topics.

The goal for 2025 is the implementation of a cybersecurity awareness platform, aimed at promoting awareness among workers through specific training courses and simulations of phishing attacks.

In 2024, a strategic investment was made to enhance the corporate network infrastructure and upgrade the Microsoft 365 ecosystem, integrating new devices and IT security-oriented solutions.



Among the measures taken, the extensive introduction of two-factor authentication was a key element in strengthening protection levels and reducing the risk of unauthorised access.

With regard to the topic of privacy, it is important to emphasise that every employee, at the time of employment, signs a privacy policy in accordance with Article 13 of the Data Protection Regulation (EU) 2016/679 (GDPR). This document provides clear and transparent information on the processing of their personal

data. As at 31 December 2024, no substantiated complaints regarding breaches of customer privacy were found, nor were any incidents of leakage, theft or loss of customer data identified.

This result reflects the effectiveness of the systems and procedures implemented by CSM GROUP to protect customer privacy and ensure the security of the personal data processed.



Managing the legal and regulatory context



CSM GROUP constantly monitors regulatory and legislative updates in the sector. In particular, thanks to the constructive dialogue with trade associations, such as Centro Inox (Italian Association for the Development of Stainless Steels) and experienced professionals with regard to occupational health and safety, regulatory compliance and machinery safety, and environmental issues.

With regard to **Quality**, both CSM TUBE and CSM MACHINERY have an **ISO 9001 certified Quality Management System**. Both companies have defined a **Quality Policy** that aims to:

- Producing Quality products in compliance with international standards and customer specifications;
- Putting the customer at the centre, ensuring compliance with requirements;

- Continuously improving effectiveness and efficiency, reducing waste and enhancing quality and production data;
- Managing lean and innovative processes by combining experience, technical expertise and technology.

Both Companies have introduced a system for **analysing customer satisfaction** by sending customers a questionnaire and analysing indicators linked to the Company's quality performance.

In the reporting year, there were no incidents, at Group level, of non-compliance with regulations and/or voluntary codes, concerning labelling/ marking or

information on products that have caused a warning, sanction or penalty.

With regard to **legal and regulatory context management**, it differs according to the sector.=The main differences are summarised below:

CSM TUBE

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

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



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



Pressure hoses are manufactured in accordance with the "Pressure Equipment Directive 2014/68/EU, Annex I, Section 4.3." and in compliance with "EN 10217 part 7 of 2014", which regulates technical supply conditions.

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

Products manufactured by CSM TUBE also conform to ASTM grade 249 and related ASME SA 249 covering standard specifications for welded austenitic steel, condenser tubes, heat exchangers, and boiler vessels. The ASTM 249 Tube is designed with a chemical content of nickel, chromium and molybdenum with other constituent alloys, which gives these tubes greater resistance to corrosive and oxidative media. ASTM A249 tubes show superior strength and torsion, giving them excellent resistance in various applications. These conformities are particularly important in certain markets, such as the US, Canada and South America.

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

The above certifications (together with compliance with REACH, RoHS and the Ministerial Decree of 21/03/1973, and EC Regulation 1935/2004 for food and beverage hoses) bear witness to the Company's commitment to assessing the health and safety impacts of the products it manufactures. These impacts are particularly significant in certain industries, such as the automotive and food and beverage sectors.

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

As far as the legal and regulatory framework of the steel sector is concerned, Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023, better known as the CBAM (Carbon Border Adjustment Mechanism), should be highlighted.

CSM MACHINERY

With regard to **regulatory compliance**, during 2024, CSM MACHINERY initiated a project aimed at adapting the construction of certain product lines to the safety standards required by the North American market.

With regard to the subject of **product safety** the Machinery Directive 2006/42/EC, which lays down the essential health and safety requirements for the design, construction and placing on the market of machinery within the European Union, applies to CSM MACHINERY. CSM MACHINERY confirms that during the reporting period there were no incidents of non-compliance with regulations and/or voluntary codes, concerning the impacts of products and services on health and safety and that resulted in sanctions, penalties or warnings.

Over the past three years, CSM MACHINERY has invested in enhancing the **traceability** of components by introducing individual marking of each part.

This approach has significantly improved both spare parts service and assembly operations, contributing to more efficient product lifecycle management.



The certifications testify to the Company's commitment to assessing the health and safety impacts of the products it manufactures. These impacts are particularly significant in certain industries, such as the automotive and food and beverage sectors.

Social



Workers' health and safety



Development of human capital



Working conditions and environment



Relations with the local communities and area



CSM GROUP

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	2023			2024		
	 CSM TUBE	 CSM MACHINERY	 CSM GROUP	 CSM TUBE	 CSM MACHINERY	 CSM GROUP
Total employees	115	37	152	126	39	165
Permanent	110	36	146	114	39	153
Fixed-term	5	1	6	12	0	12
Part-time	5	0	5	5	0	5
New recruits	16	5	21	21	3	24
Average age	40	40	40	41	41	41
Men	94	29	123	101	30	131
Women	21	8	29	25	9	34
Average hours of training	11,3	23,6	14,1	12,5	17,6	13,8
Turnover*	12,2%	5,4%	10,5%	7,9%	2,6%	6,7%
Job growth rate**	1,8%	8,8%	3,4%	9,6%	5,4%	8,6%

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

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



Workers' health and safety



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

In particular, CSM TUBE recognises that the achievement of high safety standards depends on the contribution of the entire organisation and is committed, to this end, to the implementation of a **continuous improvement process** in line with the requirements of the **UNI EN ISO 45001:2018 Certification**.

Having achieved ISO 45001 certification demonstrates CSM GEOUP's deep commitment to this issue and testifies to the correct and careful application of the provisions of the organisation, management and control model pursuant to (It.) Legislative Decree no. 231/01, with specific regard to Special Section "C" - offences concerning health and safety in the workplace.

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

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

There is also an Emergency Management Plan. The document provides specific procedures to be applied according to the type of emergency situation that may occur during work activities. Health and safety aspects are also discussed with workers through regular meetings. Internal audits are also carried out with the participation of the RSPP and ASPP, as well as the performance of any external audits by consultants.

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



For both CSM TUBE and CSM MACHINERY there is a **AED defibrillator**. Although it is currently not a device with which companies must be equipped and whose use is mandatory, CSM GROUP decided to equip itself with it in order to assist its workers promptly in case of cardiac arrest.

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



Digital notice boards are available at both sites, posted in the production area, which track and share with company personnel performance indicators in relation to Health and Safety aspects.

CSM TUBE provides employees with an internal system through which they can report aspects of improvement relating to occupational health and safety.

Every year, the Company Management pays out an economic bonus to workers who have distinguished themselves through proactivity and proposals on health and safety issues.

Other activities carried out in CSM TUBE in 2024, and aimed at improving health and safety issues, include:

- Installation of a vending machine for the supply of personal protective equipment (PPE);
- Increase in the number of emergency team personnel, beyond the legal requirements;

- Maintenance of anti-injury devices (TAGs), extending their use not only to forklifts, but also to company personnel and external operators accessing production areas.

The following tables show the **accident data for employees and non-employees** of CSM GROUP over the two-year period 2023-2024. Accidents were calculated on the basis of the guidelines described in GRI 403-9 and 1,000,000 was used as the multiplication coefficient.

In particular, the work accident rate was calculated as the number of accidents in relation to total hours worked. The serious accident rate includes accidents at work with serious consequences, while the death rate

includes the number of deaths caused by accidents at work. The same denominator and multiplication coefficient, i.e. 1,000,000, is used for all indices.

In 2024, two accidents of no serious consequence occurred at CSM TUBE, resulting in a total of 34 days of absence from work. Both injuries resulted in cuts on the hands, one of which was caused by the non-use of PPE, while the other had an accidental cause. In the aftermath of accidents, the Workers' Safety Representative (WSR) is always involved and informed of how the accident occurred and what action is taken.



Digital notice boards are available at both sites, posted in the production area, which track and share with company personnel performance indicators in relation to Health and Safety aspects.



Accident indices Employees CSM GROUP

DESCRIPTION	2023	2024	Δ%
Number of recordable work-related injuries	4	2	-50%
Number of work-related injuries with serious consequences* (excluding deaths)	0	0	-
Number of deaths as a result of work-related injuries	0	0	-
Number of hours worked	266.215	290.531	+9%
Recordable work-related injury rate	15,03	6,88	-54%
Rate of work-related injuries with serious consequences (excluding deaths)	-	-	-
Rate of deaths due to work-related injuries	-	-	-

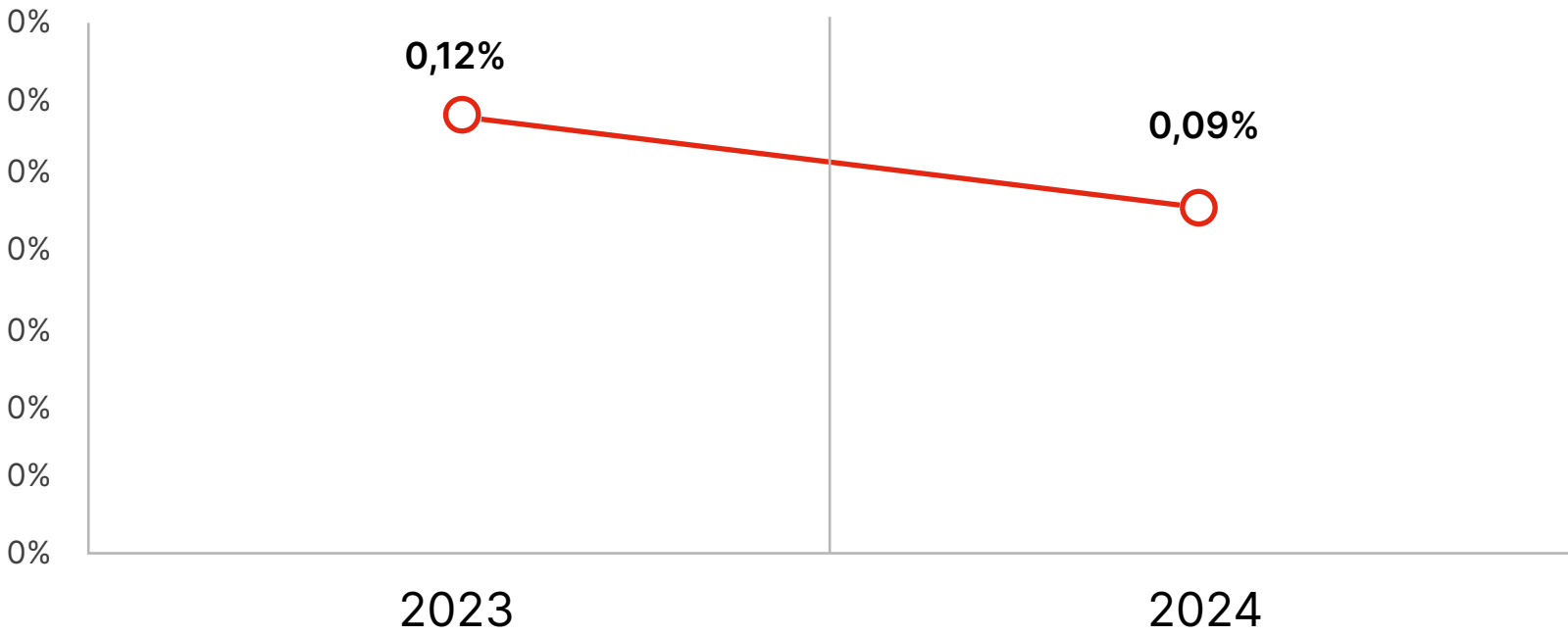
Accident indices Non-Employees CSM GROUP

DESCRIPTION	2023	2024	Δ%
Number of recordable work-related injuries	1	2	-50%
Number of work-related injuries with serious consequences* (excluding deaths)	0	0	-
Number of deaths as a result of work-related injuries	0	0	-
Number of hours worked	10,245	13.405	+31%
Recordable work-related injury rate	97.61	0,00	-100%
Rate of work-related injuries with serious consequences (excluding deaths)	-	-	-
Rate of deaths due to work-related injuries	-	-	-

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

The following graph shows the trend, and related indices, of hours lost due to accidents compared to hours worked for CSM GROUP employees. As can be seen from the graph, the trend is decreasing in 2024, compared to 2023.

Employee KPI: ratio of hours lost due to injuries in relation to hours worked





Development of human capital



At CSM GROUP, human resources management is a set of activities and strategies aimed at managing personnel with the goal of attracting, developing and retaining talent while improving productivity to achieve business objectives. Upon hiring, each new employee receives a detailed presentation of the **company's Code of Ethics**, the organisation and management model, and information on the **Whistleblowing** reporting system, thus ensuring transparency and awareness from the very beginning of the professional relationship. The Rules and Regulations and the main company procedures - such as the safety organisation chart, forms for contact persons in case of emergency and information on privacy management - are also provided.

Approximately thirty days after recruitment, the HR department conducts an **individual interview** to assess how the employee has settled into the new working

environment and to identify any aspects for improvement. A further interview is scheduled after six months from the date of induction, for a more in-depth analysis of the employee's integration and performance. In the event of a resignation, the HR department conducts an interview to understand the reasons behind the decision.

The following tables show the data on CSM GROUP employees at the end of the reporting period (31 December), with a comparison between 2023 and 2024, showing their breakdown by gender, age group, professional category, type of employment, and employment contract.

The employment relations of CSM GROUP employees are based on the national collective bargaining agreement (CCNL) for the Metalworking Industry, which governs the regulations on working hours, holidays, leave and parental leave, thus ensuring fair working conditions in line with industry regulations.

It should be noted that, as at 31 December 2024, 64.2% of CSM GROUP employees belong to the 30-50 age group, **while 15.2% of the workforce is composed of employees under 30 years of age**. The majority of employees, 63.6%, are blue collar workers, followed by white collar workers, who account for 27.9 per cent of the company workforce. In addition, 92.7% of the employees have a permanent employment contract.

The percentage of women employed in the Company increased slightly in 2024 compared to 2023, reaching 20.6% (+1.6%).

CSM GROUP introduced 24 new resources during 2024. 41.6% of the new hires were under-30s.



Employees by professional category and age group

	2023				2024			
%	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
executives	0,0%	3,1%	10,3%	3,9%	0,0%	2,8%	8,8%	3,6%
middle managers	0,0%	1,0%	3,4%	1,3%	0,0%	1,9%	2,9%	1,8%
white-collar workers	25,9%	30,2%	20,7%	27,6%	16,0%	32,1%	23,5%	27,9%
blue-collar workers	66,7%	65,6%	65,5%	65,8%	64,0%	63,2%	64,7%	63,6%
apprentices	7,4%	0,0%	0,0%	1,3%	20,0%	0,0%	0,0%	3,0%
TOTAL %	17,8%	63,2%	19,1%	100%	15,2%	64,2%	20,6%	100%

Employees by gender and age group

	2023						2024					
Age group	men	%	women	%	total	%	men	%	women	%	total	%
<30	17	13,8%	10	34,5%	27	17,8%	15	11,5%	10	29,4%	25	15,2%
30-50	78	63,4%	18	62,1%	96	63,2%	84	64,1%	22	64,7%	106	64,2%
>50	28	22,8%	1	3,4%	29	19,1%	32	24,4%	2	5,9%	34	20,6%
TOTAL	123	80,9%	29	19,1%	152	100%	131	79,4%	34	20,6%	165	100%

Employees by gender and professional category

	2023			2024		
%	men	women	total	men	women	total
Executives	4,9%	0,0%	3,9%	4,6%	0,0%	3,6%
Middle managers	1,6%	0,0%	1,3%	2,3%	0,0%	1,8%
White-collar workers	15,4%	79,3%	27,6%	15,3%	76,5%	27,9%
Blue-collar workers	78,0%	13,8%	65,8%	77,1%	11,8%	63,6%
Apprentices	0,0%	6,9%	1,3%	0,8%	11,8%	3,0%
TOTAL %	80,9%	19,1%	100%	79,4%	20,6%	100%

Employees by gender and type of employment

	2023						2024					
type of employment	men	%	women	%	total	%	men	%	women	%	total	%
full time	122	99,2%	25	86,2%	147	96,7%	130	99,2%	30	88,2%	160	97,0%
part time	1	0,8%	4	13,8%	5	3,3%	1	0,8%	4	11,8%	5	3,0%
TOTAL	123	80,9%	29	19,1%	152	100%	131	79,4%	34	20,6%	165	100%

Employees by gender and type of contract

	2023						2024					
employment contract	men	%	women	%	total	%	men	%	women	%	total	%
permanent	119	96,7%	27	93,1%	146	96,1%	122	93,1%	31	91,2%	153	92,7%
fixed-term	4	3,3%	2	6,9%	6	3,9%	9	6,9%	3	8,8%	12	7,3%
TOTAL	123	80,9%	29	19,1%	152	100%	131	79,4%	34	20,6%	165	100%

Recruitment and employee turnover

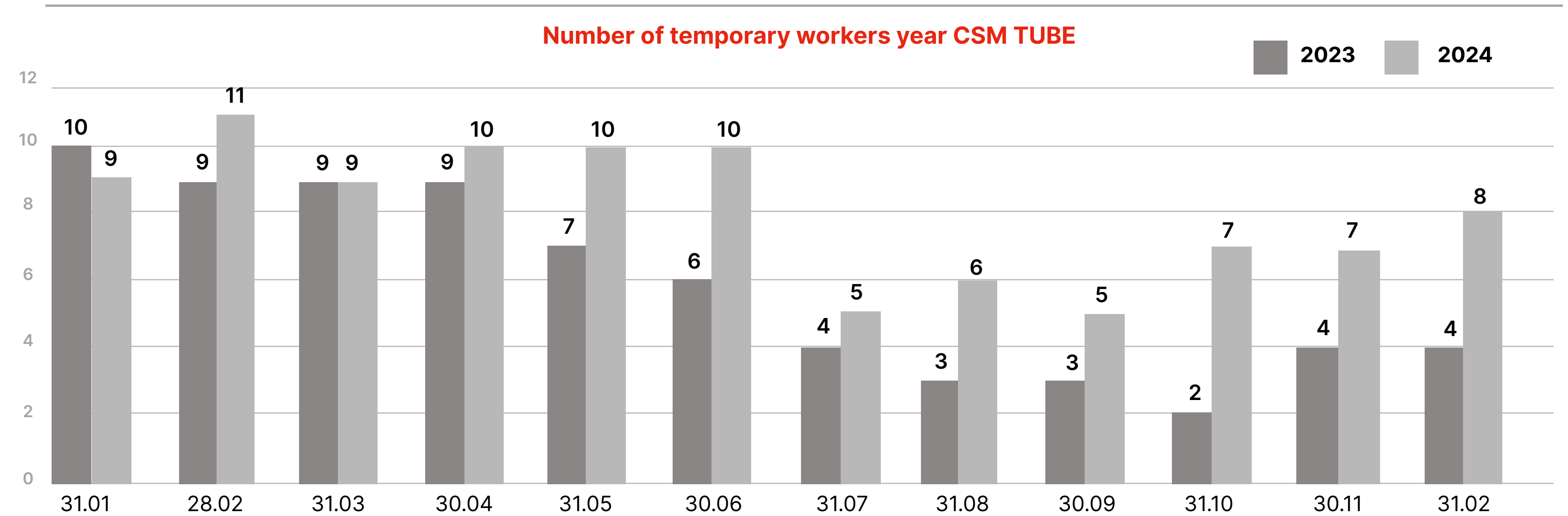
	2023						2024					
	recruitment			terminations			recruitment			terminations		
Age group	men	women	total	men	women	total	men	women	total	men	women	total
<30	8	3	11	3	2	5	4	6	10	3	2	5
30-50	4	4	8	6	3	9	9	2	11	4	1	5
>50	2	0	2	2	0	2	3	0	3	1	0	1
TOTAL	14	7	21	11	5	16	16	8	24	8	3	11

	2023						2024					
	recruitment			terminations			recruitment			terminations		
Age group	%men	%women	%total	%men	%women	%total	%men	%women	%total	%men	%women	%total
<30	47,1%	30,0%	40,7%	17,6%	20,0%	18,5%	26,7%	60,0%	40,0%	20,0%	20,0%	20,0%
30-50	5,1%	22,2%	8,3%	7,7%	16,7%	9,4%	10,7%	9,1%	10,4%	4,8%	4,5%	4,7%
>50	7,1%	0,0%	6,9%	7,1%	0,0%	6,9%	9,4%	0,0%	8,8%	3,1%	0,0%	2,9%
TOTAL	11,4%	24,1%	13,8%	8,9%	17,2%	10,5%	12,2%	23,5%	14,5%	6,1%	8,8%	6,7%

Contracted workers

Temporary agencies have taken an active role in corporate success, going beyond mere intermediation and directly contributing to the selection and supply of highly qualified resources. In 2024, CSM TUBE exclusively employed temporary workers in the production area, ensuring targeted and effective support for the company's operational needs. In contrast, no temporary workers were employed at CSM MACHINERY.

The following graph shows the number of temporary workers employed by CSM TUBE in 2023 and 2024. In 2023, the average number of contract workers is 5.8, in 2024 it is 8.1.



Training

CSM GROUP confirms its ongoing commitment to employee training, ensuring the registration and traceability of all training activities through the company management system. Over the past year, the Company has offered training courses on health and safety, basic operational skills, sustainability and other transversal topics, contributing to the professional development and awareness of staff. Regarding the topic of sustainability, on 12 April 2024 during the spring management meeting with all Italian employees of CSM TUBE, a short training session on ESG lasting about 30 minutes was organised. On this occasion, a materiality analysis survey was also conducted. In addition, during 2024, for both CSM TUBE and CSM MACHINERY, specific training was provided on the use of the TreCuori platform, fostering greater awareness and competence in the use of the corporate welfare platform.

In 2024, CSM MACHINERY continued with the Lean Manufacturing project, aimed at optimising production processes and increasing business efficiency. As the following tables showing CSM GROUP data show, an average of 13.8 hours of training per employee was provided in 2024, in line with the figure for 2023 (14.1 average hours). In addition, 93.8% of employees participated in training programmes. In 2024, non-mandatory hours of training (training not related to health and safety aspects in accordance with (It.) Legislative Decree no.81) accounted for 55% of the total training hours provided, reflecting the extent to which the Company invests in training, even training not strictly required by law. Regarding the 2025 targets, in the context of CSM GROUP training, please refer to the section at the end of this document entitled “Sustainable Development Goals”.

Average training provided						
job classification	2023			2024		
	men	women	total	men	women	total
Executives	31,9	-	31,9	28,4	-	28,4
Middle managers	20,3	-	20,3	10,7	-	10,7
White-collar workers	20,3	22,9	21,8	32,1	14,4	21,9
Blue-collar workers	9,8	9,5	9,8	9,8	8,2	9,7
apprentices	-	12,3	12,3	57,0	6,6	15,0
TOTAL %	12,5	20,4	14,1	14,2	12,5	13,8

Other indicators related to training				
DESCRIPTION OF TRAINING-RELATED KPI	m.u.	2023	2024	Δ% 2024 vs 2023
Compulsory training hours as a ratio to total training hours	%	39,6%	45,0%	+5,4%
Non-compulsory training hours as a ratio to total training hours	%	60,4%	55,0%	-5,4%
Total training hours in relation to hours worked	%	0,82%	0,88%	+0,06%
Employees who received the training	%	92,3	93,8	+1,5%



Working conditions and environment



CSM GROUP is actively committed to creating a positive, stimulating and inclusive working environment, paying great attention to the well-being and satisfaction of its employees. To this end, each week a company coach conducts a programme dedicated to direct discussion with staff, encouraging dialogue, listening and sharing. This course aims to improve various aspects of working life, with a focus on employees working in the production area, contributing to a more harmonious and collaborative company climate.

When significant milestones are achieved, such as Management System certifications, CSM GROUP actively involves the corporate team, sharing the results obtained and gathering any suggestions for improvement. The aim is to promote a participative culture and value the contribution of each employee.

In the year 2024, at Group level, 15 employees took **parental leave**, of which four female employees took maternity leave. As of 31 December, eleven of them had returned to service at the end of their leave period, while the remaining three are scheduled to return in the

course of 2025. These figures testify to the company's ongoing commitment to supporting its employees during crucial moments in family life, promoting a healthy balance between the professional and personal spheres. In 2023, **CSM GROUP established a solidarity-based hour bank**, formalised through a trade union agreement. This tool allows employees to donate time off work to colleagues in sensitive personal situations, promoting solidarity within the organisation. The initiative is further enhanced by the Company's contribution, which doubles the number of hours donated, reinforcing the concrete support for the person.

Regarding the issue of trade union dialogue, three trade union representatives (RSU), affiliated to a specific trade union, operate within CSM TUBE. These representatives play a role in protecting workers' rights by facilitating dialogue between staff and management.

CSM GROUP offers its employees the possibility of joining a **private supplementary pension plan** through the Cometa fund and the Solidarietà Veneto fund. In accordance with current legislation, the company contributes by supplementing the amount paid by the employee, thus facilitating proper planning for the future pension.

CSM GROUP promotes flexible time management, allowing employees to modulate their entry and exit times according to their tasks and operational needs. This policy aims at fostering a better balance between professional and personal life, contributing to workers' well-being and productivity. In addition, the Company has formalised **smart working** agreements with some employees, offering them the possibility to perform part of their activities remotely.

CSM GROUP is aware that improving the living conditions, both private and working, of the people within the Company and the satisfaction of its employees is a useful tool for achieving the corporate objectives. In this sense, **corporate welfare** is guaranteed as provided for in the National Collective

Bargaining Agreement (CCNL). In addition, the "TreCuori" corporate welfare platform was activated on 1 June 2024 with the aim of proposing a customised incentive system to workers, allowing them to choose the services they wish to use. This corporate welfare plan consists of the provision of a notional credit that can be used for certain welfare services to meet the personal needs of the individual worker. Furthermore, an additional contribution of EUR 200 per dependent child is granted to all parents through the company's Welfare Plan. The Welfare Plan is aimed at all employees and workers with temporary employment contracts.

As at 31 December 2024, all CSM GROUP employees have used, in whole or in part, the welfare credit made available through the dedicated platform. Globally, 86% of the amount allocated by the Company was used by CSM TUBE and 79% by CSM MACHINERY. Employees will be able to take full advantage of it by 31 May 2025.



The Performance Bonus (PDR) in 2024 is paid, as far as CSM TUBE is concerned, on the basis of a union agreement with shared targets for workers. For white-collar workers, middle managers and executives, performance bonuses are individual and assessed by specific targets that influence the year-end bonus. Whereas for CSM MACHINERY **The Performance Bonus** (PDR) is not covered by trade union agreements and is paid on the basis of performance for each employee.

As far as the PDR is concerned, the HR department, together with the functional manager, in specific individual meetings with the employee:

- concludes and awards the bonus for the past year
- sets the amount of the notional bonus and the targets for the following year
- communicate any promotions
- asks the worker for feedback on the past year and resolutions for the coming year

In 2025 the Performance Bonus will be revised as for CSM TUBE the second-level union agreement should also include white-collar workers, while for CSM MACHINERY the



CSM GROUP promotes flexible time management, allowing employees to modulate their entry and exit times according to their tasks and operational needs. This policy aims at fostering a better balance between professional and personal life, contributing to workers' well-being and productivity.

second-level union agreement for blue-collar and white-collar workers will be introduced for the first time.

During 2024, CSM TUBE confirmed for the last year for workers an additional recognition measure: a six-monthly bonus linked to the individual employee's attendance. This initiative aims to valorise daily commitment and perseverance by concretely rewarding those who continuously contribute to the Company's productivity and success.

In 2024 CSM GROUP launched an internal project to promote a culture of care and attention of the management towards all employees. The initiative includes concrete

gestures of proximity, such as sending birthday greetings and delivering a bouquet of flowers to celebrate happy events such as weddings and births. In times of difficulty, such as family bereavements, the company expresses its condolences through a dedicated message, strengthening the human bond within the corporate community.

Both CSM TUBE and CSM MACHINERY provide their employees with **supplementary health coverage** through the fund envisaged by the Metalworking industry, Metasalute. Also in the area of health, employees can also benefit from a 10% discount on certain health services, e.g. blood tests, at a contracted medical centre.

During the summer season, when temperatures rise, the Company provides free mineral salts to ensure the well-being of employees. In addition, from 2023, free water dispensers will be installed, accessible by means of a water bottle donated to each worker. These initiatives aim to promote hydration and well-being, creating a more people-friendly working environment.

Finally, each year, CSM GROUP organises a company event to involve employees, share the past year's results, objectives and future investments.

Regarding the 2025 targets, in relation to working and environment conditions for CSM GROUP, please refer to the section at the end of this document entitled "Sustainable Development Goals".



Relations with the local communities and area



CSM GROUP believes that business success must be accompanied by a positive and lasting impact on the social and environmental fabric in which it operates. The Company recognises that its activities are not limited to the economic dimension, but generate tangible effects on the well-being of people, the territory and the quality of life of local communities. With a conscious and inclusive approach, CSM GROUP promotes initiatives that enhance culture, promote social inclusion, support education and protect the environment, contributing in a concrete way to building a responsible and shared future. In the following paragraphs, some projects and actions undertaken to strengthen the link with the territory and generate value for the community are presented.

Velo club San Vendemiano cycling club

CSM GROUP's passion for sport and social commitment are concretely reflected in its support for the cycling club Velo Club San Vendemiano, with which the Company has shared

for years values of inclusion, dedication and development of young talents. This commitment stems from the legacy of values handed down by founder Giorgio Trolese, who promoted sport as an engine for personal and community growth. CSM GROUP actively participates in sporting events organised by the Club, being present in the area and supporting initiatives that strengthen the link between the company, sport and the community. In 2024, CSM TUBE sponsored the 18th Trofeo Città di San Vendemiano, awarded to cyclist Florian Samuel Kajamini, who wore the commemorative jersey dedicated to Giorgio Trolese with honour.

Sponsorship of Sarmede football team

CSM GROUP's bond with the territory is also manifested through its support of the Sarmede football team, sponsored by the company in homage to its manufacturing origins. It was in the municipality of Sarmede that the first production of pipes began, a founding moment that today symbolically lives again in the support of local sport. Sponsorship is a tribute

to the past and an investment in the values of community, passion and shared growth.

SANVE SPORT 20.26

In 2024, CSM TUBE continued to support the activities of SANVE SPORT 20.26, an amateur sports association from San Vendemiano (TV) that promotes the discipline of ice hockey and aims at a cultural dissemination of this sport, also in view of Italy's hosting of the 2026 Winter Olympics. SANVE SPORT 20.26 is recognised by the C.O.N.I. (National Olympic Committee) and is affiliated with the F.I.S.G. (Italian Ice Sports Federation). It also organises sports activities, such as introductory skating, figure skating and hockey with dedicated courses. The Association aims to increase the pool of young athletes, involving girls and boys, from the age of four, in approaching "winter sports" and ice hockey in particular.

Magie d'Inverno (Winter Magic)

In order to help financially support the activities of the San Vendemiano community, in 2023 CSM TUBE financed the event "Magie d'Inverno" (Winter Magic), an event



which encompasses a series of events related to the Christmas period and beyond. The beating heart of "Magie d'Inverno" is a 1,100-square-metre, fully-covered ice rink on real ice. Plenty of space to have fun skating or playing ice hockey. The rink is also equipped with a professional ice-shaving machine that makes the ice surface of the rink perfectly smooth, for an incredible skating experience.



Also in 2024, CSM TUBE confirmed its commitment to the San Vendemiano community by supporting the “Magie d'inverno” initiative, an event that represents a landmark for the area, enriching the Christmas period with moments of sociability, entertainment and aggregation. The heart of the event is an extraordinary 1,100-square-metre indoor ice rink, offering a large and safe space for recreational activities such as free skating and ice hockey. Equipped with a professional ice-shaving machine, the rink guarantees a perfectly smooth surface, helping to provide users with an engaging and high-quality skating experience. CSM TUBE's intervention demonstrates the company's willingness to promote initiatives that strengthen the sense of community and foster collective well-being.

“Free mammogram and ultrasound scan” initiative

CSM GROUP bases its vision on the indispensable value of protecting people's well-being, recognising it as one of the fundamental pillars of its corporate culture. With this in mind, the company actively promotes the health of its employees through concrete and targeted initiatives. These



include the collaboration with the Municipality of Codognè, with the WelfareCare Benefit Society and with local businesses, aimed at offering free mammograms and ultrasound scans to 50 women belonging to age groups excluded from the National Health System's prevention programmes. Through this project, CSM GROUP reaffirms with conviction its commitment to improving the quality of life both at work and in the personal sphere, contributing to the dissemination of a culture of prevention and self-care, a symbol of social

responsibility and attention to the territory.

LILT Treviso and LILT Conegliano

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

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

The provincial section has directed its activities in the field of prevention and early diagnosis, with the main focus on psychological assistance to patients and their families, the humanisation of diagnostic and treatment facilities, and the rehabilitation of patients. Widespread activities in the territory are also guaranteed thanks to the six delegations in the province of Treviso. In addition, CSM GROUP supports the LILT Delegation of Conegliano,

which works to build a network of solidarity, support, and correct information around the cancer patient.

In 2024 CSM GROUP confirmed its social commitment through the purchase of solidarity Easter eggs, distributed to its employees as a gesture of closeness and concrete participation. This initiative represented a moment of sharing with a strong symbolic value, strengthening the bond between the company and the people who live it every day. Looking to the future, the company has set itself an even more ambitious goal: to actively support the “Pigiama Run” in Oderzo in 2025, a day dedicated to raising funds for the association and to support children suffering from oncological diseases. By sponsoring this event, CSM GROUP intends to promote a culture of commitment, solidarity and proximity to the fragile, demonstrating once again that social welfare is a fundamental value of its identity.



AED defibrillator

Both CSM TUBE and CSM MACHINERY are equipped with an AED Defibrillator. Although it is currently not a device with which companies must be equipped and whose use is mandatory, they decided to equip themselves with it in order to assist its workers promptly in case of cardiac arrest. With the realisation that, in emergency situations, rapid intervention can make the difference between life and death, it was decided to make its defibrillators available to the local community. This action is part of a broader project to integrate a network of automated external defibrillators (AEDs), strategically positioned within the geographical area in which the Group operates. The aim is to ensure rapid access to life-saving devices, promoting timely assistance and fostering a culture of prevention and health protection.



Support Galilei Institute of Conegliano

At the end of 2024, CSM MACHINERY made a significant gesture by donating a new lathe to the Galileo Galilei Technical Institute in Conegliano, in memory of CSM MACHINERY founder Giorgio Trolese. This important contribution allowed the school's technical laboratory to renew its equipment, offering students a modern and functional tool for practical exercises, replacing obsolete lathes. The initiative is not only a tribute to the founder's vision and commitment, but also a concrete investment in the future of the next generation. In 2025, the CSM GROUP intends to further strengthen its ties with the school world by launching cooperation projects with local schools through both CSM TUBE and CSM MACHINERY, bringing its own testimony

into schools and promoting orientation and training meetings. One of the main objectives is the establishment of a scholarship named after Giorgio Trolese, intended to support deserving and enthusiastic students in the mechanical engineering sector, thus helping to enhance talent and encourage entry into the world of work.

Membership of associations

Both CSM TUBE and CSM MACHINERY recognise the importance of shared representation and constructive confrontation within their industry, which is why they are active members of various trade associations. This allows them to contribute to the development of the entire industry by participating in working groups, joint projects and strategic initiatives that aim to promote competitiveness, innovation and sustainability. Membership of associations also represents a valuable opportunity for regulatory updating, professional training and dialogue with institutions, strengthening the role of companies as responsible and aware players in the economic and social fabric of the territory.

Centro INOX - The Italian Stainless Steel Development Association

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



UCIMU

CSM MACHINERY belongs to UCIMU, the leading association for Italian manufacturers of production technology, with over 200 member companies representing more than 70% of national production in the sector. Membership of UCIMU gives companies access to an authoritative and consolidated network that promotes technological Made in Italy in international markets, protects the sector's interests at national and European institutions, and offers specialist support in strategic areas such as research and development, marketing, training and internationalisation. The association also stands out for its commitment to the promotion of industrial culture and the enhancement of technical skills through training programmes and collaborations with academia and schools.

Confindustria Veneto East

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

Sustainability Group of Confindustria Veneto Est

CSM TUBE adheres to the **Sustainability Group** of Confindustria Veneto Est companies committed to promoting corporate

sustainability. This network, created years ago with the participation of a dozen or so local entities, has grown steadily over time, becoming a point of reference for the sharing of values, experiences and good practices in the ESG field. Discussions between companies take place through periodic meetings and thematic working groups, during which companies break up into small groups and visit each other's production sites. The host company has the opportunity to present its model of sustainable development, opening

the doors of its facilities to encourage direct exchange and mutual inspiration.

In 2024, CSM TUBE took part in the third edition of the Sustainability Week, an initiative promoted by Confindustria Veneto Est. The event, focused on corporate sustainability, featured two members of the CSM TUBE ESG Team who brought to the attention of the participants the ESG initiatives and measures undertaken.



Environment



Energy and greenhouse gas emissions



Circular Economy



Emission of toxic substances and waste generation






Management of water resources



CSM GROUP

The following table provides a **overview** of **environmental impacts** for the two-year period 2023-2024 for CSM TUBE, CSM MACHINERY and the aggregated group data (CSM GROUP). It aims to provide a comprehensive overview of the individual entities of CSM GROUP, in relation to environmental impacts related to water and energy consumption, waste generation and CO₂.

Description of environmental impacts			
	 CSM TUBE	 CSM MACHINERY	 CSM GROUP
Generated waste (t)	823,3	28,1	851,4
Water withdrawals (mc)	2.265	619	2.884
Energy consumed within the Organisation (GJ)	19.136,2	1.685,7	20.821,9
GHG emissions Scope 1 and Scope 2 market based (t of CO2 eq)	1.791,0	131,8	1.922,8

CSM GROUP considers environmental protection a shared responsibility and a fundamental pillar for promoting sustainable development. This principle translates into daily, tangible initiatives aimed at minimising the environmental impact of its operations.

In the environmental sphere, the impacts generated by CSM TUBE and CSM MACHINERY are significantly different, as they are closely related to the nature of each division's business, as can be seen in the data in the table above. For

this reason, within the environmental section of the Sustainability Report more focus will be given to the impacts and measures undertaken by CSM TUBE, while reporting aggregate Group data, as well as dedicated indicators for individual entities.

CSM TUBE, specialising in the production of steel tubes, has a more impactful environmental profile, with higher levels of industrial waste generation, energy consumption and CO₂. These impacts arise mainly from energy-inten-

sive production processes, such as cutting and cooking pipe, which require large amounts of energy. On the contrary, CSM MACCHINERY, operating in less energy-intensive areas and with less impactful production processes, has a lower environmental impact, with lower emissions and consumption.

This differentiation highlights the need for targeted environmental strategies for each business unit, with the common goal of reducing the ecological footprint and contributing to the Group's sustainability goals.

Since 2013, **CSM TUBE** is **ISO14001** certified, and the **Environmental Policy** company is identified in its commitment to operate in compliance with all laws, regulations and company procedures, to ensure compliance with local and international environmental standards, developing continuous improvement programmes to achieve the highest environmental standards.

Over the last two years, CSM TUBE took a significant step towards strengthening its environmental governance by formalising an Environmental Organisation Chart.

The Group also recognises the importance of the cultural growth of its human resources in terms of environmental protection and is determined to develop training plans for personnel

that promote awareness and the adoption of responsible behaviour. In 2024, CSM GROUP organised several environmental training activities, covering different topics. In addition, each new employee brought into the Company and employed in the production area is provided with specific waste management documentation and dedicated training for the correct sorting, collection and management of waste within the production site.

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



Energy and greenhouse gas emissions



CSM GROUP is actively committed to reducing its environmental impact, with a focus on energy efficiency and reducing greenhouse gas emissions. In recent years, a process of optimisation of production cycles has been initiated, adopting low-consumption technologies and advanced energy monitoring systems. At the same time, the Group has invested in the production of energy from renewable sources, installing photovoltaic systems that contribute to covering internal energy needs. These activities have enabled CO₂ emissions into the atmosphere to be contained, thanks to increased energy production and plant efficiency.

Energy

From an energy point of view, CSM MACHINERY buys electricity from the grid and uses it mainly in the production process and for cooling the offices in the summer months. LPG is used to condition the rooms during the winter months.



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

The production of steel pipes involves a high demand for electricity. Among the initiatives taken by CSM TUBE over the past two years to curb greenhouse gas emissions is the installation of a second 605.1 kWp photovoltaic system, which complements the existing 16.5 kWp system. This action had a twofold objective: on the one hand, to reduce climate-driv-

en emissions (GHG) into the atmosphere; on the other, to reduce energy dependence on external suppliers.

Construction of this plant started in 2023 and completed during 2024. Total self-generation of electricity is estimated at around 650 MWh per year distributed over an area of 2750 sq.m. As a result of this new installation, electricity savings of 10% are expected.

With the aim of improving the energy efficiency of the company's processes, CSM TUBE will also, over the two-year period 2025-2026, implement a series of interventions aimed at improving the energy performance of the company's current facilities, starting with mapping

and timely monitoring energy consumption thanks to a dedicated system.

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

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



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

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

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

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

In 2022, a new refrigeration unit was installed featuring greater energy efficiency (it has a COP 25-30% higher than the previous system. Hot cooling air from the refrigeration unit is recovered by means of unit heaters for heating the production departments; this further helps reduce methane consumption for

heating and significantly improves heat distribution within the plant.

Analysing data on the energy consumed by the Organisation, at Group level, 2024 was characterised by a total energy consumption of 20,822 GJ, an increase of 6.2% compared to 2023, taking into account the contribution of electricity (from the distribution network and photovoltaic), methane gas and LPG (for heating), diesel and petrol (to power the company's own vehicles). Electricity is the main energy impact factor, contributing about 90% of the Organisation's total energy impact.

The LPG is used only for the workplaces at CSM MACHINERY and contributes to 4.7% of the Organisation's energy consumption. In the past year, a 6.4% drop in LPG consumption was recorded due to milder winter temperatures.

As can be seen from the table at the beginning of the Environment section, CSM TUBE's activity contributes to the majority of the group's overall consumption.

In particular, during 2024, CSM TUBE recorded an overall increase in energy consump-

tion, mainly due to the change in the production mix, which saw a greater use of laser technology, which is more energy-intensive than other solutions. However, the increase in demand was partly offset by a reduction in electricity purchased from the grid, thanks to increasing self-generation from renewable sources through photovoltaic plants. Furthermore, as of October 2024, CSM TUBE has chosen to procure for the last quarter exclusively certified electricity from renewable sources through Guarantees of Origin (GO).



Furthermore, as of October 2024, CSM TUBE has chosen to procure for the last quarter exclusively certified electricity from renewable sources through Guarantees of Origin (GO).

Looking to the future, further energy efficiency measures are planned for 2025. A further reduction in the use of methane gas is planned thanks to the implementation of a new high-efficiency refrigeration unit, similar to the one installed in 2022, which will allow the decommissioning of less performing plants, with a twofold benefit:

an improvement in terms of energy consumption and reduction in the use of F-gases and the possibility of doubling the white certificates obtained.

The following table shows the CSM GROUP's total energy consumption figures for 2023-2024. In particular, the organisation's total internal energy consumption in 2024 increased compared to 2023 (+6.2%) due to CSM TUBE's change in production mix, which saw a greater use of laser technology, which is more energy-intensive than other solutions. As can be seen, the past year has seen a significant increase in self-produced and self-consumed electricity within the organisation. At the same time, in 2024, energy consumption from non-renewable sources dropped by 23.3 per cent compared to 2023, while that from renewable sources increased markedly.

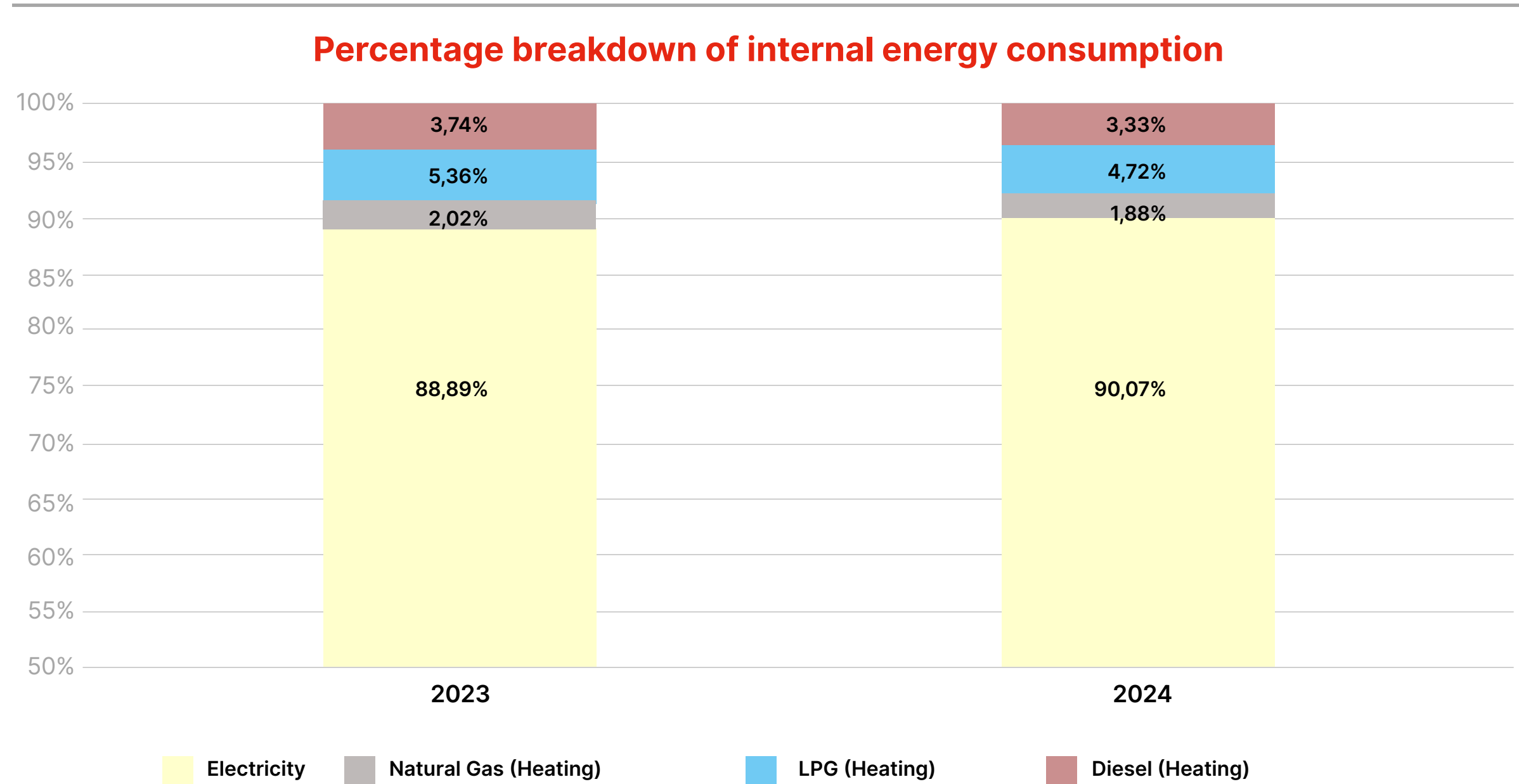
The following table shows the percentage breakdown of CSM GROUP's overall energy consumption, distinguishing between electricity (both purchased from the grid and self-produced), natural gas and LPG used for heating, and fuels (diesel and petrol) used for the company fleet. In the two-year period

Energy consumption within the organisation

Type of consumption	m.u.	2023	2024	Δ% 2024 vs 2023
FUELS				
Natural gas*	GJ	395.37	391.89	-0.9%
GPL* OF WHICH:	GJ	1,050.10	982.59	-6.4%
For vehicles		-	-	-
For heating		1,050.10	982.59	-6.4%
Diesel* OF WHICH:	GJ	575.41	445.39	-22.6%
For vehicles		575.41	445.39	-22.6%
For heating		-	-	-
Petrol* OF WHICH:	GJ	158.22	247.83	+56.6%
For vehicles		158.22	247.83	+56.6%
For heating		-	-	-
TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE ENERGY SOURCES	GJ	2,179.09	2,067.71	-5.1%
TOTAL FUEL CONSUMPTION FROM RENEWABLE ENERGY SOURCES	GJ	-	-	-
ELECTRICITY				
Self-generated electricity sold	GJ	23,71	403.33	+1,601%
Total electricity consumed OF WHICH:	GJ	17,426.83	18,754.23	+7.6%
From traditional mix	GJ	17,379.76	12,942.27	-25.5%
Certified 100% from renewable sources		0,00	3,858.70	+100%
Self-generated and self-consumed		47.07	1,953.26	+4,049.8%
TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION				
TOTAL OF WICH:	GJ	19,605.92	20,821.93	+6.2%
Renewable		47.07	5,811.96	+ 1,2247.8%
Non-renewable		19,558.85	15,009.97	-23.3%

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





analysed, electricity accounted on average for about 90% of the Organisation's total energy requirements, making it the main source of energy impact.



Below are the energy intensity indices of CSM GROUP and CSM TUBE for 2023-2024. The total energy consumed, expressed in gigajoules (GJ), was related to various production and management parameters: turnover, hours worked, metres and tonnes of product.

For CSM TUBE, a reduction in energy indices per tonne and per metre of product is observed in 2024, respectively 0.1% and 5.6% compared to 2023. It is important to emphasise that these variations are influenced by the production mix and the type of pipe produced: for example, the production of a raw pipe requires on average one fifth of the energy needed for an annealed pipe, thus having a significant impact on the indicators.

As far as CSM GROUP is concerned, the energy intensity index in relation to hours worked decreased by 3.4% in 2024, while that in relation to turnover increased by 11.4%. The Group continues to demonstrate a high focus on efficient energy management, aware that a significant portion of consumption is attributable to annealing furnaces.

Energy intensity indices				
Indicator description	m.u.	2023	2024	Δ% 2024 vs 2023
Ratio of total internally consumed energy to tonnes of product  CSM TUBE	GJ / t	2.555,8	2.552,0	-0,1%
Ratio of total energy consumed internally to metres of product  CSM TUBE	(GJ / m) *1000	0,449	0,424	-5,6%
Ratio of total energy consumed internally to hours worked  CSM GROUP	GJ / ore	0,0709	0,0685	-3,4%
Ratio of total internally consumed energy to turnover  CSM GROUP	GJ / Mln €	275,0	306,3	+11,4%

Greenhouse gas emissions

CSM TUBE, as a production company, recognises its role and responsibility towards combating climate change and is committed to monitoring and mitigating its CO₂ emissions, including through the purchase of a portion of energy from renewable sources, the self-production of electricity through photovoltaic systems and the aforementioned actions aimed at energy efficiency. To ensure transparency and traceability of emissions, CSM GROUP monitors the CO₂ emissions generated by its activities in order to assess the environmental impact generated and to identify areas for action with a view to reduction.

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

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

Scope 2 emissions, on the other hand, include **indirect emissions** from acquired or purchased energy, such as electricity, steam, heat or cooling, generated off-site. Both the **Market Based** and **Location Based** methodology was used to calculate the Scope 2 emissions.

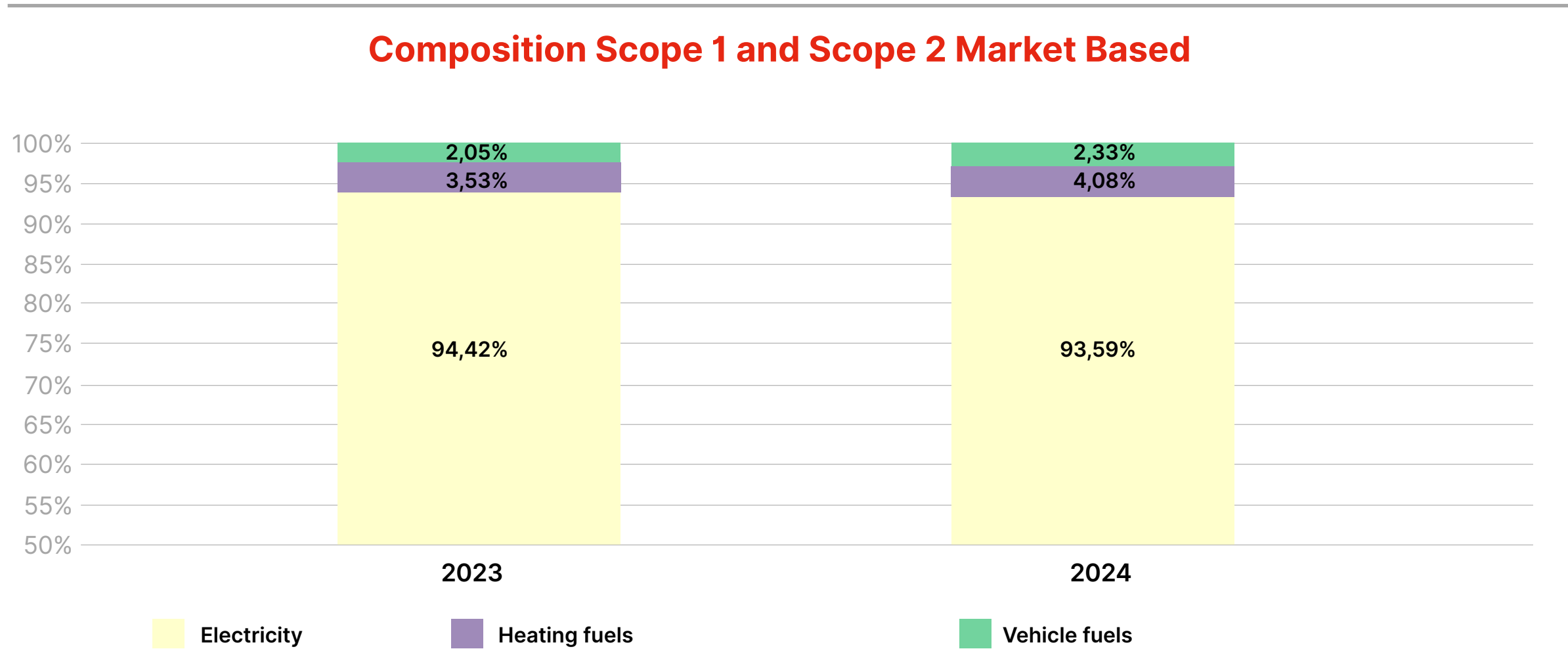
Within this sustainability report, total GHG emissions are expressed in tonnes of CO₂ equivalent.

From the table below, concerning CSM GROUP's CO₂ emissions for the two-year period 2023-2024, it can be seen that, in 2024, direct emissions (Scope 1) decreased by 5.6% compared to 2023. This reduction is attributable to the aforementioned lower use of fuels from non-renewable sources. Indirect emissions (Scope 2), calculated through both Market Based and Location Based methodology, also decreased by 18.5% and 3.3% respectively. The first attributable to the purchase of a portion of electricity from certified renewable sources.

Scope 1 and Scope 2 calculation				
EMISSIONS	m.u.	2023	2024	Δ% 2024 VS 2023
Estimate Scope 2 location based*	tCO ₂ e	1.520,7	1.470,1	-3,3%
Estimate Scope 2 market based*	tCO ₂ e	2.206,9	1.799,6	-18,5%
Estimate Scope 1*	tCO ₂ e	130,4	123,2	-5,6%

* The sources of the coefficients for the calculation of Scope 2 location based and market based are respectively Terna and the AIB report European Residual Mixes. The coefficients required for the calculation of Scope 1 are derived from the Defra UK GHG conversion factors. The Gross CV (Calorific Value) or, failing that, the Net CV was considered for the calculation of fuel emissions.







The graph below shows the percentage distribution of the Group's Scope 1 and Scope 2 emissions. As shown, in the two-year period analysed, approximately 94% of the CO₂ emissions, calculated according to the market-based approach, can be attributed to electricity purchased from the grid.



As previously mentioned, the actions undertaken by CSM TUBE, aimed at reducing impacts related to GHG emissions, include the purchase of a portion of electricity from certified renewable sources and the installation of a new 605.1 kWp photovoltaic system, in addition to the existing 16.5 kWp photovoltaic system.


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

The following table shows some CO₂ emission intensity indices for CSM GROUP and CSM TUBE for the two-year period 2023-2024. In particular, values are presented for CO₂ Scope 1 and Scope 2, related to turnover and hours worked for the Group, and metres and tonnes of product for CSM TUBE. It should be noted that the emission intensity indices considered do not include Scope 3 indirect emissions.

Emission intensity indices				
Indicator description	u.d.m.	2023	2024	Δ% 2024 vs 2023
Location Based Methodology				
Emission intensity location based on tonnes of product  CSM TUBE	tCO ₂ e/t	0,215	0,195	-9,3%
Emission intensity location based on turnover  CSM GROUP	tCO ₂ e /Mln €	23,16	23,44	+1,2%
Emission intensity location based on hours worked  CSM GROUP	(tCO ₂ e/hours) *1000	5,97	5,24	-12,2%
Market Based Methodology				
Emission intensity marked based on tonnes of product  CSM TUBE	tCO ₂ e/t	0,304	0,235	-22,6%
Emission intensity marked based on turnover  CSM GROUP	tCO ₂ e /Mln €	32,79	28,28	-13,7%
Emission intensity marked based on hours worked  CSM GROUP	(tCO ₂ e/hours) *1000	8,45	6,32	-25,2%

By 2025, CSM TUBE plans to maintain the supply of around 30% of its energy needs from renewable sources, through the purchase of certified electricity with Guarantee of Origin (GO).Atthesametime,CSMTUBEisconsidering a project to expand the photovoltaic system currently installed, with the aim of increasing the share of self-generated energy from solar sources and further strengthening its commitment to the energy transition and the reduction of climate-changing emissions.

Circular Economy



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

The circular economy promotes sustainable business models, both economically and environmentally, by focusing on the design of products and systems that extend their useful life and facilitate recycling. In this context, **steel stands out as an infinitely recyclable material:** it can be remelted several times without losing its original properties. Each new stainless steel product that contains an average of 70% recycled material, whether from scrap or end-of-life products, retains the same quality as one made from virgin material. This makes it superior to other materials, such as paper or plastic, which tend to lose quality characteristics in the recycling process. At the end of their life cycle, stainless steel products are largely recovered and reintroduced into the production system. The virtuous recycling of stainless steel is one of

the clearest examples on an industrial level of how the two main strategic objectives that the TEU has set itself for the coming decades

Each new stainless steel product that contains an average of 70% recycled material, whether from scrap or end-of-life products, retains the same quality as one made from virgin material.

can be combined: circular economy and decarbonisation.

In this context, CSM TUBE started a monitoring campaign of its suppliers to find out information about the percentage of recycled material contained in the products purchased.

In 2024, four steel suppliers formally communicated to CSM TUBE the percentage of recycled material, to varying degrees, in the products they supplied.

The table below provides an analysis of the main materials purchased by the company and used for the production and packaging of its products in 2023 and 2024. Materials are divided into renewable and non-renewable*.

GRI 301-1 materials used by weight for CSM TUBE				
Purchased material	Unit of measurement	2023	2024	Material type*
Tube steel	%	89.49%	88.82%	Non-renewable
Ink	%	0%	0%	Non-renewable
Solvent	%	0.01%	0.01%	Non-renewable
Cardboard packaging	%	0.78%	0.75%	Renewable
Wood packaging	%	9.58%	10.32%	Renewable
Nylon roll	%	0.11%	0.08%	Non-renewable
PET straps	%	0.04%	0.02%	Non-renewable

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

The following table shows for CSM TUBE, for the reporting years 2023 and 2024, the percentage of recycled materials used out of the total materials purchased. The average recycled material content, based on declarations received from suppliers, is 87.7%. As mentioned above, this analysis was based on the formal documentation received from suppliers.

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



next material shipment. Once the material is received, its condition and integrity is assessed and, if reusable, it is reused as transport packaging for further products. This is possible thanks to partnerships with some customers.

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

In 2025, on the other hand, CSM MACHINERY aims to start a collaboration with an external supplier for the washing and reuse of oil-contaminated cloths, in order to reduce the amount of hazardous waste generated.

Other initiatives under development include the launch of a circular economy pilot project, which involves the use of reusable plastic crates for transporting mechanical components between CSM MACHINERY and a supplier, thus eliminating the use of single-use packaging.

GRI 301-2 Recycled input materials CSM TUBE				
Description	Unit of measurement	2023	2024	A% 2024 vs 2023
Purchased recycled materials out of total	%	26.8%	80.9%	+54.1%

As part of circular economy, CSM TUBE has initiated a project with four customers and two suppliers to reclaim wood packaging. In particular, CSM TUBE ships the product packed in wooden crates to the customer, which are returned to CSM TUBE during the



Emission of toxic substances and waste generation



In percentage terms, at Group level, 96.6 per cent of the waste generated in 2024 comes from CSM TUBE activities.

In terms of quantity, the main waste generated by CSM GROUP in 2024, includes steel scrap, wood packaging, aqueous liquid waste, paper and cardboard packaging, plastic packaging, sandpaper, discarded equipment, and processing sludge. The largest share of the waste generated is tube production waste, which is then sent for recovery.

Substances classified as hazardous, which are present on the Company's premises, are stored under cover and provided with appropriate collection basins. The bales of paper and plastic are stored inside a special container to prevent leaching. All outdoor areas are kept clean and tidy with periodic cleaning operations that are recorded on a special checklist.

Municipal waste generated by office activities is delivered to the bins provided by the municipal administration for separate collection.

All other waste generated by the Company is disposed of by third-party suppliers.

Proper waste management is a priority for the Company, which is actively engaged in monitoring and managing the areas designated for temporary external storage. For this purpose, specific training sessions are organised for the personnel in charge of the proper management of the storage areas. These training sessions in CSM TUBE are complemented with regular field audits, awareness-raising during regular QSA meetings and information posted on the digital notice boards.

With regard to waste-related impacts, for CSM TUBE, it should be noted that for the management of emulsions deriving from compressor condensate, there is a double chamber collection basin, consisting of an underground tank located outside the plant. This system is equipped with a leak and spill detection device, which immediately signals any anomalies via a light tower, ensuring a high level of environmental safety.

Spent oils mainly come from maintenance or decommissioning of hydraulic power units serving production lines.

In 2024, an internal process of collecting and filtering used oil during some specific quality-related tests was initiated, which allowed the filtered oil to be first recovered and then reused for power unit top-ups, thus reducing the need for disposal and the procurement of new oil.

The company's intention is to find technical ways of performing these tests, which do not involve the use of oil.

In 2024, with the installation of the new laser line, a post-process flue gas analysis was conducted. The extraction system obviously requires periodic replacement of filters; with a view to a circular economy, the Company is evaluating the possibility, in collaboration with a qualified external partner, of regenerating and reusing used filters, thus reducing waste and the process's environmental impact.



In 2024, at Group level, 57.9% of hazardous waste was sent for recovery, with the amount of hazardous waste generated reduced by 32.6% compared to 2023. In 2024, the generation of non-hazardous waste was reduced by 9.9% compared to the previous year.

The following table shows the classification of waste generated by the Company over the two-year period 2023-2024.




Overall, the total waste generated in 2024 decreased by 10% compared to the previous year.

Waste				
CATEGORIES OF WASTE	m.u.	2023	2024	Δ% 2024 VS 2023
TOTAL NON-HAZARDOUS WASTE	t	943.10	849,23	-9.9%
of which for recovery	t	903.60	804.80	-10.9%
of which for disposal	t	39.50	44.43	12.5%
TOTAL HAZARDOUS WASTE	t	3,28	2,21	-32.6%
of which for recovery	t	2,08	1,28	-38.5%
of which for disposal	t	1,20	0.93	-22.5%
TOTAL WASTE	t	946.38	851.44	-10.0%

The analysis of the key performance indicators (KPIs) related to CSM GROUP's waste management, shown in the table below, shows that the percentage of waste sent for internal recovery remained almost stable over the two-year period 2023-2024, with an average of 95.2%. In 2024, hazardous waste accounted for only 0.26% of the total waste generated, a figure that underlines the low incidence of critical materials within the company's processes.

Other KPIs monitored include the total amount of waste generated by CSM TUBE per tonne of product. Over the past year, this indicator has decreased significantly by 15.4% compared to

2023, reflecting greater efficiency in resource management and the reduction of process waste.

KPI Waste			
DESCRIPTION	2023	2024	Δ% 2024 VS 2023
Percentage of waste for recovery out of total waste generated  CSM GROUP	95,70%	94,67%	-1,0%
Percentage of hazardous waste in total waste generated  CSM GROUP	0,35%	0,26%	-0,1%
Tonnes of total waste generated as a ration of tonnes of product (%)  CSM TUBE	123,37	104,36	-15,4%

In 2024, CSM TUBE recorded a 10 per cent reduction in total waste in absolute terms compared to 2023, and a 15 per cent reduction in relation to tonnes of product produced.

This result was achieved thanks to a **structured waste reduction project**, which included the recruitment of a new process engineering specialist, with the aim of monitoring and analysing waste sources in a timely manner throughout the entire



production chain. The new resource started a systematic activity of data collection and analysis, considering key variables such as production lines, shifts, operators, raw materials and equipment used. This approach led to the definition of specific KPIs dedicated to waste management in 2024 and contributed to a reduction of about 1.5 percentage points compared to the previous year.

At the same time, targeted process controls were introduced with the aim of optimising production efficiency and reducing errors that can generate non-conforming products. With regard to **chemical management**, in the CSM TUBE production process, the chemicals used are mainly limited to marking inks and solvents. As far as CSM MACHINERY is concerned, in addition to the chemicals in detergents, solvents and lubricating oils, these can result from washing machinery, causing an oily liquid waste.


The Group operates in compliance with the relevant regulations, declaring compliance with the RoHS Directive where applicable.

As a downstream user of chemicals, CSM TUBE does not manufacture or market chemical substances or preparations that under normal and reasonable conditions of use result in the intentional release of substances. Registration or pre-registration or authorisation is therefore not required for the product supplied. Based on information gathered in the supply chain, no more than 0.1% of SVHC (Substances of Very High Concern) are contained in the products sold.

CSM TUBE also manufactures certain types of stainless steel tubes suitable for contact with foodstuffs and in compliance with EC Regulation No. 1935/2004 and It. Ministerial Decree 21/03/1973 and subsequent updates.



Management of water resources

 CSM GROUP recognises the importance of responsible water management as an integral part of its corporate sustainability strategy.

In this context, the Group is committed to reporting on its interactions with water, including how it is abstracted, as well as the related impacts caused directly by its activities.

The water in CSM MACHINERY is taken from third parties and is used for sanitary facilities, for washing machines using a high-pressure washer and for a dedicated machine for cleaning small components, as well as for machine testing. Water consumption may vary depending on the number of “profile” tests performed. Part of the reduction in water consumption in 2024 for CSM MACHINERY is attributable to the introduction of a refrigeration unit for machine testing, which enables water recycling. In 2023, however, the water used for testing was dispersed.

As far as CSM TUBE is concerned, water is taken from third parties (municipal waterworks) and is used for:

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

There is a recirculation tank at the production site for water used to cool the production lines. In 2024, with the aim of ensuring increasingly precise control of water consumption, water meters were installed in processes and strategic points of the plant, selected for their relevance in the overall water balance.

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

- Waste water of a domestic nature that is fed into the sewerage system;
- Rainwater from rainwater downpipes and forecourts that is conveyed into the white water network;

- Coil test waters;
- Waste water from the production of demineralised water from the reverse osmosis plant.

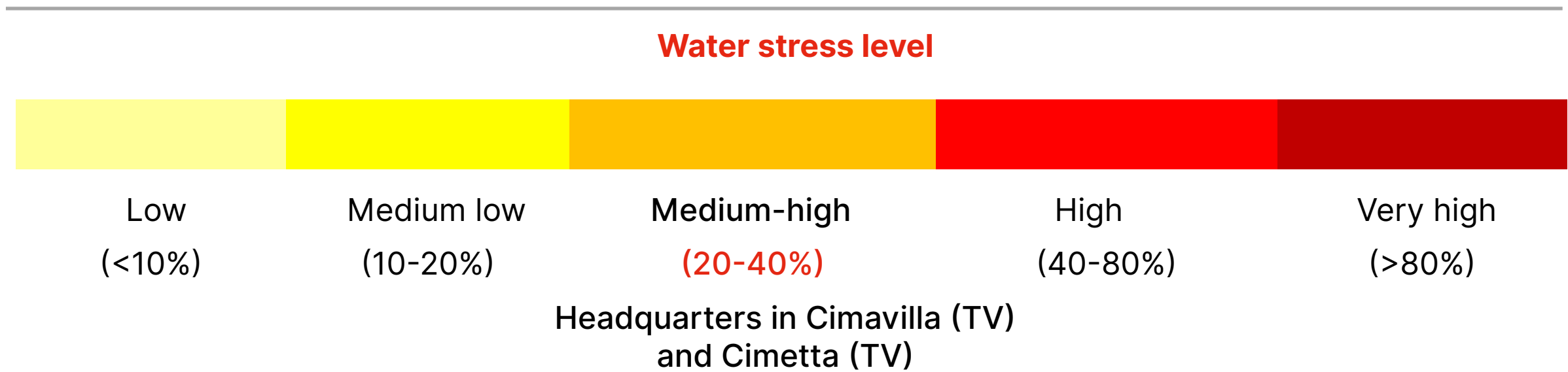
The last two items (test water and waste water from the reverse osmosis plant) constitute

an authorised industrial discharge subject to annual monitoring.

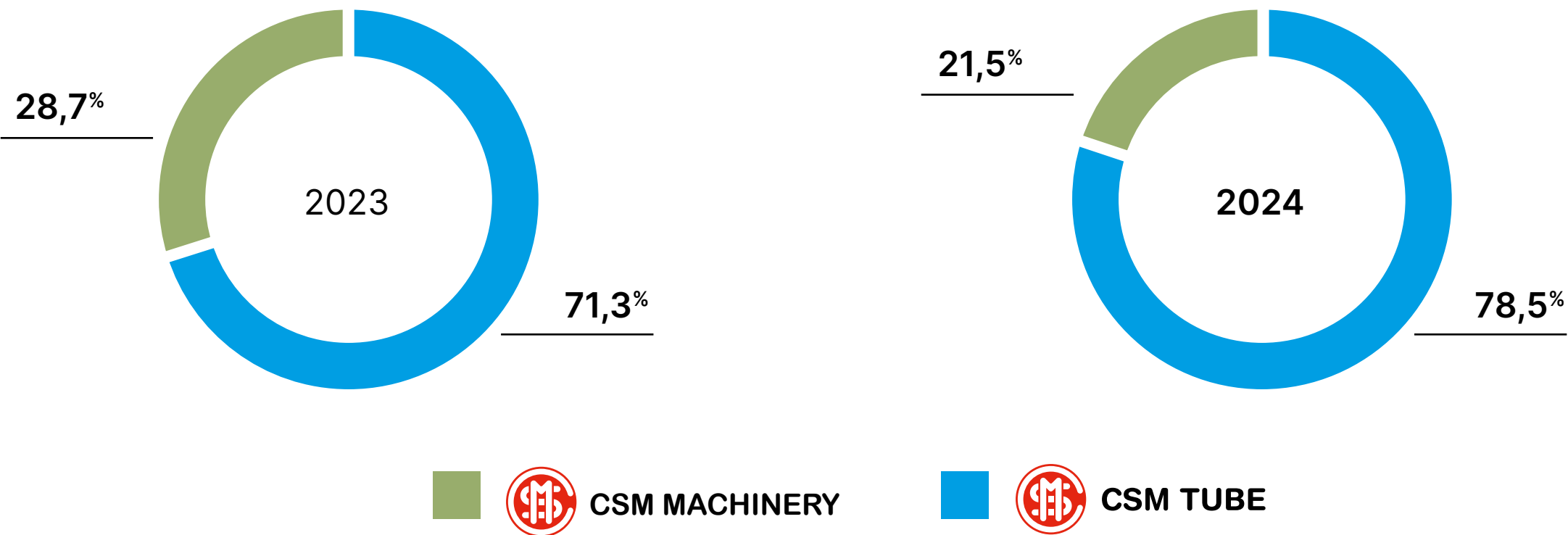
The table below shows CSM GROUP’s water abstraction expressed in megalitres for the two-year period 2023-2024.

Water abstraction (ML)					
Origin and quality of water withdrawn	2023		2024		Δ% water withdrawal 2024 vs 2023
	From all areas	From water-stressed areas	From all areas	From water-stressed areas	
THIRD-PARTY WATER	2,84	-	2,88	-	
Drinking water (≤1,000 mg/L total dissolved solid particles)	2,84	-	2,88	-	
Other water (>1,000 mg/L total dissolved solid particles)	-	-	-	-	
TOTAL THIRD-PARTY WATER ABSTRACTION BY ABSTRACTION SOURCE					
Surface water	2,84	-	2,88	-	-1,7%
TOTAL WATER ABSTRACTION	2,84	-	2,88	-	



In order to assess its impact in water-stressed and water-sensitive areas, CSM TUBE used the World Resources Institute’s **Aqueduct Water Risk Atlas** tool. The analysis showed that the geographical area in which the Cimavilla (TV) and Cimetta (TV) plants are located is characterised by a medium-high level of water stress (20-40%) and that the reference basin is the Tagliamento River. It was decided to consider “High” and “Very High” water stress areas. For this reason, the area where CSM TUBE’s factories are located was not considered water-stressed.



The following graphs show the breakdown of water abstraction in 2023-2024 for CSM TUBE and CSM MACHINERY. The Cimavilla plant (CSM TUBE) is responsible for an average of about 97% of the Organisation’s total water abstraction over the three-year period.








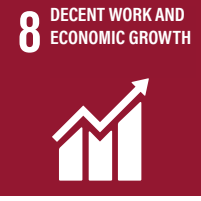

Finally, the table below shows the relationship between the Organisation's water withdrawal and the number of company employees for CSM TUBE, CSM MACHINERY and compared to the aggregated Group data. From the data below, it is possible to observe a significant reduction in water withdrawal for CSM MACHINERY in 2024 compared to 2023 (-31.8%) due to the efficiency solutions described above.












Water withdrawal indicators				
INDICATOR DESCRIPTION	m.u.	2023	2024	Δ% 2024 vs 2023
Ratio of total water abstraction to number of employees  CSM TUBE	ML/n° employees	0,017	0,018	+5,9%
Ratio of total water abstraction to number of employees  CSM MACHINERY	ML/n° employees	0,022	0,015	-31,8%
Ratio of total water abstraction to number of employees  CSM GROUP	ML/n° employees	0,018	0,017	-5,5%

Goals for Sustainable Development

Below are the ESG objectives that CSM GROUP intends to pursue, in synergy with the Sustainable Development Goals, as an integral part of its operational strategies.

The goals are divided according to the time frame of implementation: short term, medium term and long term. Indicators and related targets are indicated for each goal.

Reference SDGs	Referring to	Material topic	Description of goals	Indicators (KPIs)	Target	Implementation period (time frame)
	 CSM GROUP	Ethics and integrity of the	Update the Code of Ethics	-	-	2025
		business	Adopt an external whistleblowing platform.	-	-	2025
		Data management and cybersecurity	Develop an awareness-raising platform aimed at workers, with the objective of raising awareness on cybersecurity issues, through training activities and simulations of phishing.	-	-	2025
			Offer training on the use of artificial intelligence as a tool to support and optimise professional activities.	% of employees trained	≥ 30%	2025
			Carry out a Risk Assessment and a Incident Responsible Plan, also in view of the new NIS2 regulation.	-	-	2025
	 CSM TUBE	Managing the legal and regulatory context	Strengthen the Quality Management System through the adoption of the IATF 16949 standard, in order to optimise internal management and control processes along the production chain of automotive tubes.	-	-	2025
	 CSM TUBE	Working conditions and environment	Adoption practice UNI PdR 125:2022	-	-	2025
	 CSM GROUP	Working conditions and environment	Administration of a satisfaction survey of employees based on the methodology Great Place to Work, aimed at assessing the corporate climate and organisational well-being and implementing an improvement action	-	-	2025
			Fostering a positive, inclusive and collaborative working environment, oriented towards people's well-being and the enhancement of skills	Exit turnover rate	< 8,6%	2025

Reference SDGs	Referring to	Material topic	Description of goals	Indicators (KPIs)	Target	Implementation period (time frame)
	 CSM GROUP	Development of human capital	Strengthen in-house skills through mentoring paths between new recruits and conductors, complemented by a performance evaluation system for new recruits.	-	-	2025
			Great Place to Work: training courses aimed at improving the work environment and the best practices of the company.	Percentage of employees trained	≥ 90%	2025
	 CSM TUBE	Development of human capital	Gender equality: training initiatives to promote a fair and inclusive corporate culture Gender equality: training initiatives to promote a fair and inclusive corporate culture	Percentage of employees trained	≥ 50%	2025
	 CSM TUBE	Occupational health and safety	The defined objective is the same as the one included in the PdR	-	-	2025
	 CSM MACHINERY	Circular Economy	Launch of a circular economy pilot project, aimed at introducing reusable plastic crates for the transport of mechanical components between CSM MACHINERY and a supplier, with the objective of reusing transport packaging and reducing environmental impact.	-	-	2025
			Collaboration with an external company that washes oil-stained cloths and returns them to the Company.	-	-	2025
		Transversal	Purchase of FSC®-certified corrugated cardboard for transporting products/materials	Percentage of certified purchased corrugated board out of total	100%	2026
 	 CSM TUBE	Energy and greenhouse gas emissions	Expansion of the photovoltaic park	-	-	2026
			Installation of a new refrigeration unit, replacing the current one, to improve energy efficiency	-	-	2025
			Purchase of certified electricity from renewable sources	Percentage of renewable electricity in the total	≥ 30%	2025
					-20%	2025
			Achieve CO ₂ reduction (Scope 1 and Scope 2 market based)	Reduction in % of CO ₂ emissions compared to baseline (year 2022, value of 2,552.6 t CO ₂ eq)	-25%	2027

GRI Table of Contents

Declaration of use	CSM GROUP has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation - version 2021
Relevant GRI sector standards	To date, there are no relevant industry standards for the sector

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NUMBER)
GRI 2: General Disclosures 2021	2-1 Organisational details	4,5
	2-2 Entities included in the organisation's sustainability reporting	5
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of Information	5
	2-5 External assurance	5
	2-6 Activities, value chain and other business relationships	8,23,24
	Employees	34,35
	2-8 Workers who are not employees	36
	2-9 Governance structure and composition	18-20
	2-10 Nomination and selection of the highest governance body	18,19
	2-11 Chair of the highest governance body	19
	2-12 Role of the highest governance body in overseeing the management of impacts	20
	2-13 Delegation of responsibility for managing impacts	20
	2-14 Role of the highest governance body in sustainability reporting	20
	2-15 Conflicts of interest	18,19
	2-16 Communication of critical concerns	18
	2-17 Collective knowledge of the highest governance body	20
	2-18 Evaluation of the performance of the highest governance body	At present, CSM GROUP has not implemented formal procedures to assess the performance of its highest governance body with regard to overseeing the management of ESG impacts.
	2-19 Remuneration policies	Information not available. There are no formal procedures regulating these parameters.
	2-20 Process to determine remuneration	There is currently no official document defining the procedure for setting remuneration. However, the relevant Metal Industry Collective Bargaining Agreement is applied.
	2-21 Annual total compensation ratio	Requirement omitted. As CSM TUBE Spa and CSM MACHINERY Srl are private companies, it is not deemed appropriate to share this information due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	3
	2-23 Policy commitments	23,25
	2-24 Embedding policy commitments	25
	2-25 Processes to remediate negative impacts (a, b)	25
	2-26 Mechanisms for seeking advice and raising concerns	25
	2-27 Compliance with laws and regulations	25
	2-28 Membership of associations	42,43
	2-29 Approach to stakeholder engagement	11
	2-30 Collective bargaining agreements	34

GRI STANDARD	DISCLOSURE	LOCATION (PAGE NUMBER)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10-12
	3-2 List of material topics	13-15
	3-3 Management of material topics	21-58
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	24
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	25
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	25
GRI 301: Materials 2016	301-1 Materials used by weight or volume	52
	301-2 Recycled input materials used	53
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	48
	302-3 Energy intensity	49
	302-4 Reduction of energy consumption	48,49
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	57
	303-2 Management of water discharge-related impacts	57
	303-3 Water withdrawal	58
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50
	305-2 Energy indirect (Scope 2) GHG emissions	50
	305-4 GHG emissions intensity	51
	305-5 Reduction of (GHG) emissions	50,51
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	54,55
	306-2 Management of significant waste-related impacts	54,55
	306-3 Waste generated	55
	306-4 Waste not landfilled	55
	306-5 Waste sent to landfill	55



GRI STANDARD	DISCLOSURE	LOCATION (PAGE NUMBER)
GRI 401: Employment 2016	401-1 Recruitment of new employees and employee turnover	35
	401-2 Benefits for full-time employees that are not available to fixed-term or part-time employees	At both CSM TUBE Spa and CSM MACHINERY Srl, the benefits granted to full-time employees are also granted to employees with part-time or fixed-term contracts, ensuring equity and uniform access to welfare opportunities.
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	31,32
	403-2 Hazard identification, risk assessment and accident investigation	31,32
	403-3 Occupational health services	31,32
	403-5 Worker health and safety training	31,32
	403-6 Workers' Health Promotion	31,32
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relations	31,32
	403-8 Workers covered by an occupational health and safety management system	31,32
	403-9 Accidents at work	33
GRI 404: Training and Education 2016	404-1 Average number of training hours per year per employee (a)	37
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in governance bodies and among employees	19,35
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	25
GRI 413: Local communities 2016	413-2 Operations with significant actual and potential impacts on local communities	There are no reported actual or potential negative impacts of CSM GROUP operations on the local community.
GRI 416: Customer health and safety 2016	416-1 Assessment of health and safety impacts of product and service categories	28
	416-2 Incidents of non-compliance with health and safety impacts of products and services	28
GRI 418: Customer privacy 2016	418-1 Founded complaints regarding breaches of customer privacy and loss of customer data	26

Annex I





Analysis of the SDGs - CSM Tube S.p.A.

Introduction

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

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

The SDGs are also becoming increasingly relevant for investors, as they represent a summary of the most pressing global environmental, social, and economic issues. Consequently, they serve as an essential guide for ESG (environmental, social, and governance) criteria that must be considered as part of the fiduciary duty of investors.

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

In 2024, an update of this analysis was carried out with respect to the actions taken during the year.

OBJECTIVES FOR SUSTAINABLE DEVELOPMENT





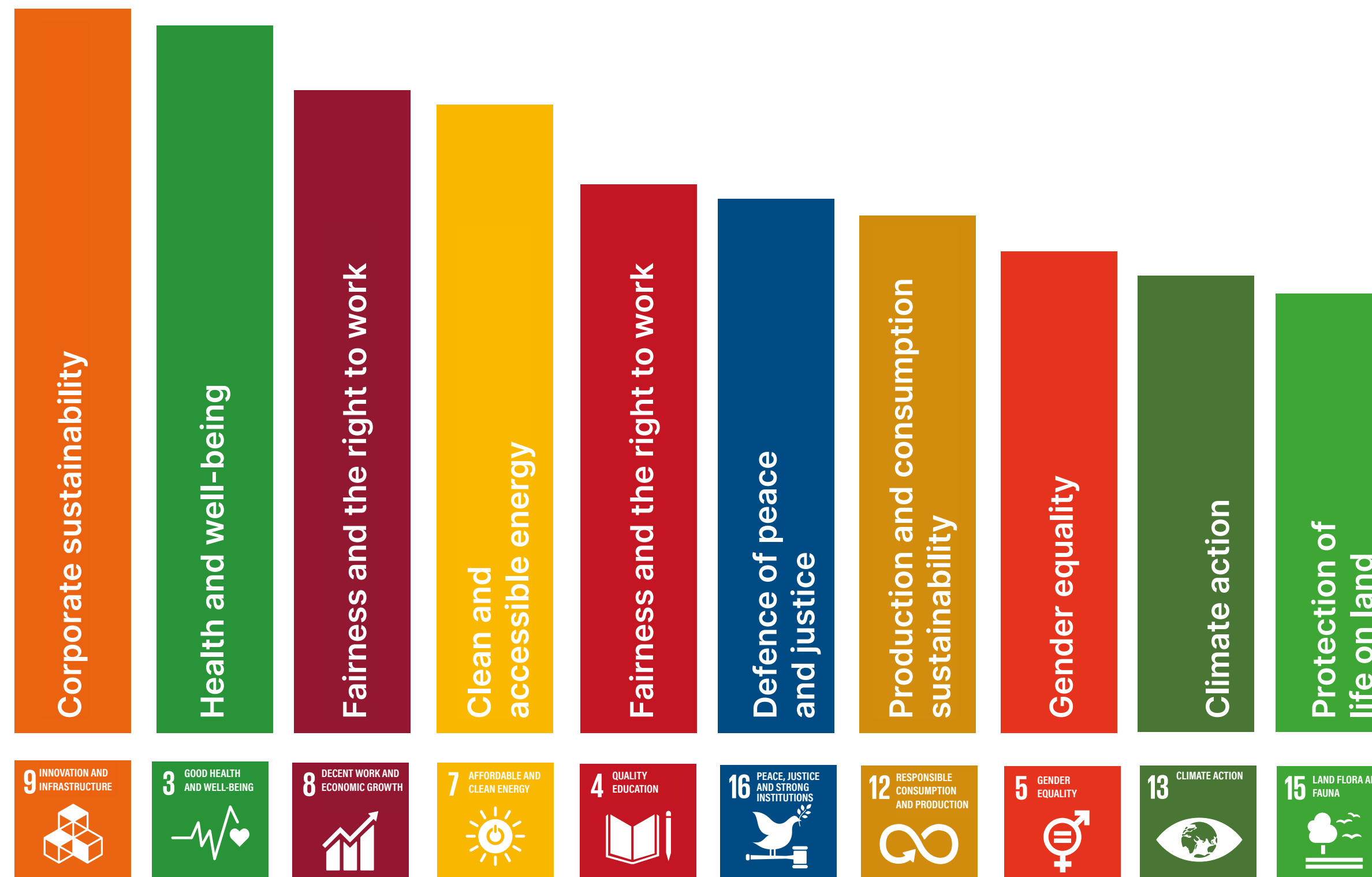
Path steps

The path of measuring company performance against the SDGs, through the international SDG Action

Manager tool, consisted of the following steps:

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

SDGs in order of importance for CSM TUBE



Identifying priority SDGs




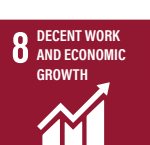







The CSM TUBE team assessed the importance of each SDG in relation to its business activities. This assessment was carried out on the basis of the impact that each SDG can have on the company's business, enabling the identification of priority ones in the specific context of CSM TUBE. Below please find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

Measuring contribution against each SDGs

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

Analysis of the results

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

SDGs	Points CSM TUBE 2023	Points CSM TUBE 2024	Benchmark Country*	Benchmark sector**
 SDG BASELINE	63,8%	75,5%	26,7%	29,8%
 9 INNOVATION AND INFRASTRUCTURE	19,6%	21,0%	16,3%	19,3%
 3 GOOD HEALTH AND WELL-BEING	34,5%	40,8%	19,6%	22,3%
 8 DECENT WORK AND ECONOMIC GROWTH	27,2%	31,7%	19,1%	19,2%
 7 AFFORDABLE AND CLEAN ENERGY	29,3%	35,5%	11,8%	12,7%
 4 QUALITY EDUCATION	20,6%	23,9%	17,6%	16,5%
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	20,7%	37,4%	16,8%	17,9%
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	39,8%	52,4%	21,3%	22,2%
 5 GENDER EQUALITY	13,2%	13,9%	10,2%	10,3%
 13 CLIMATE ACTION	39,7%	43,1%	13,8%	14,6%
 15 LAND FLORA AND FAUNA	10,8%	17,5%	12,3%	12,0%

*Italy **Manufactured metal products



CSM GROUP

— Stainless bonds —