2024 SUSTAINABILITY REPORT

Pietro Fiorentini

LETTER TO OUR STAKEHOLDERS

At a time of great transformation, when the global context is changing rapidly, we are seizing the opportunity to strengthen our long-term vision, guided by consistency, responsibility and the ability to see change as a lever to build lasting value. The need for a transformational change within the Group stems from this awareness, which has resulted in the launch of a **major company reorganisation**, a necessary step to consolidate our purpose - the ultimate reason why we do business - and to build the future concretely.

2024, at Group level, was a year of growth, with significant results compared to the M&A strategy of previous years. These conditions allowed us to focus on defining business directions, consistent with the trajectories of our strategic plan and capable of intercepting the challenges of emerging sectors, while also strengthening the more traditional segments. In this sense, the reorganisation of the Group was not a mere structural exercise, but a concrete and conscious action, oriented towards **the completion of the strategy and the full exploitation of our potential**.

In this edition of the Sustainability Report, we will present the projects, the partnerships, the continuous striving to achieve our objectives and how this redefinition into three Strategic Business Units and two business areas will enable us to achieve them.

We expect to be able to respond to the needs of the sectors that we operate in with **renewed impetus, greater effectiveness and flexibility**, with tangible results in the field of renewable energy and water cycle management, without losing sight of strengthening our activities in traditional markets. In parallel, work continues on integrating and expanding our offer, developing skills and technologies internally, and carefully pursuing opportunities for external growth.

"*We value resources. Together, today and for future generations*" is not just a statement for us, but the foundation underlying every single one of our choices. **Consolidating our purpose** means acting consistently, promoting innovation, supporting the energy and environmental transition, and valuing those who contribute to our journey, day after day.

We are aware that it is only by sharing the best experiences and involving our people that we will be able to tackle future challenges effectively. Therefore, we continue to invest in projects that generate positive and lasting impact, inside and outside the organisation.

With a confident and determined outlook, **we will continue to build a future based on innovation, sustainability and the value of people**. *Together*.

Mario, Cristiano and Paolo Nardi

2024 in numbers

Highlights

494.2 M€

Group **turnover**

68.1 M€

Group **EBITDA***

* In accordance with the calculation practices of the Italian banking system

1.3%

of turnover invested in **research and development**

2,855

collaborators all over the world

Environmental

100%

electricity from renewable sources, certified with Guarantee of Origin, for the Group's Italian companies

Conclusion of the first

Life Cycle Assessment

on the product range

-18%

waste produced in comparison to 2023

7

categories of **Scope 3 emissions** included in the **carbon footprint**

Social

435

new hires, of which 30% due to staff increases

-35%

accident severity rate compared to 2023

48

nationalities of office workers at Group level

80%

expenditure on local suppliers, up by 9% in comparison to 2023

Governance

501.6 M€

distributed economic value

132

external stakeholders involved in updating the double materiality analysis

9

SA 8000 audits on critical suppliers to verify compliance

26

Group companies included in the scope of the Sustainability Report

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01 building *bridges*

1.1 PIETRO FIORENTINI GROUP: OUR NEW STRUCTURE

Pietro Fiorentini, a **historical company with roots in north-eastern Italy**, is the protagonist of an evolution that has led it to become an international reference for the development of solutions in the fields of energy, water cycle and environmental management. With **85 years of experience**, the Group has been able to build its own path, strengthened by its identity that has always been devoted to technological innovation, the development of engineering skills and its strategic vision capable of anticipating the transformations of the sector, with its eyes always focused on the goal of a **sustainable future for current and future generations**.

In a context in which energy transition and digital innovation are redefining the industry's priorities, the Group has strengthened its commitment to **research and development**, focusing on technologies for **natural gas, biomethane, hydrogen, water, grid digitisation and the circular economy.** The aim is to ensure advanced tools to improve infrastructure efficiency, reduce emissions and support a more sustainable model.

At the same time, improved operational models have made management more agile and effective. The adoption of **lean & agile management** in 2000 led to greater organisational efficiency, optimising resources and decision-making processes to respond promptly to market challenges.

Obtaining **EcoVadis certification** confirms the soundness of this path, attesting to the integration of environmental, social and governance criteria into industrial strategies.

Acknowledgements

During 2024, the Group was the recipient of many important acknowledgments that rewarded its results and management model:

Champion Enterprise

For the sixth consecutive year, Pietro Fiorentini was ranked in the top 300 of the best Italian companies with a turnover between 120 and 500 million, according to the results of research carried out by the ItalyPost Research Centre.

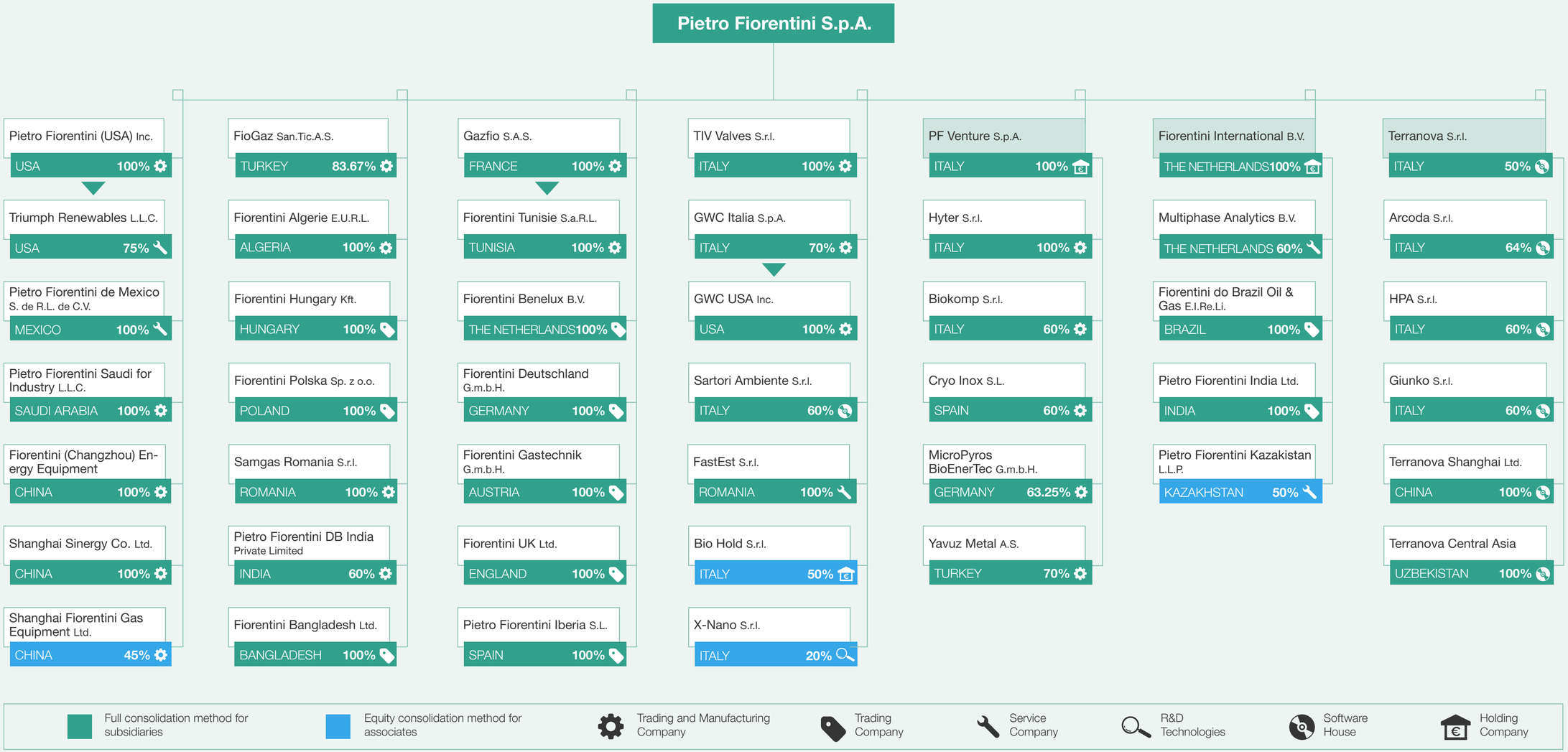
Best Managed Company

For the fourth consecutive year, Pietro Fiorentini has received the award for Made in Italy business excellence promoted by Deloitte, ALTIS, ELITE and Confindustria.

Sustainability Leader

For the third consecutive year, Pietro Fiorentini is on the list of the most sustainable Italian companies compiled by Statista and Il Sole 24 Ore. The best performance was achieved in emissions reporting, in the relevance given to training issues and management transparency.

Sociogram


Pietro Fiorentini S.p.A.
Pietro Fiorentini (USA) Inc.
USA 100%
Triumph Renewables L.L.C.
USA 75%
Pietro Fiorentini de Mexico S. de R.L. de C.V.
MEXICO 100%
Pietro Fiorentini Saudi for Industry L.L.C.
SAUDI ARABIA 100%
Fiorentini (Changzhou) Energy Equipment
CHINA 100%
Shanghai Sinergy Co. Ltd.
CHINA 100%
Shanghai Fiorentini Gas Equipment Ltd.
CHINA 45%
FioGaz San.Tic.A.S.
TURKEY 83.67%
Fiorentini Algerie E.U.R.L.
ALGERIA 100%
Fiorentini Hungary Kft.
HUNGARY 100%
Fiorentini Polska Sp. z o.o.
POLAND 100%
Samgas Romania S.r.l.
ROMANIA 100%
Pietro Fiorentini DB India Private Limited
INDIA 60%
Fiorentini Bangladesh Ltd.
BANGLADESH 100%
Gazfio S.A.S.
FRANCE 100%
Fiorentini Tunisie S.a.R.L.
TUNISIA 100%
Fiorentini Benelux B.V.
THE NETHERLANDS 100%
Fiorentini Deutschland G.m.b.H.
GERMANY 100%
Fiorentini Gastechnik G.m.b.H.
AUSTRIA 100%
Fiorentini UK Ltd.
ENGLAND 100%
Pietro Fiorentini Iberia S.L.
SPAIN 100%
TIV Valves S.r.l.
ITALY 100%
GWC Italia S.p.A.
ITALY 70%
GWC USA Inc.
USA 100%
Sartori Ambiente S.r.l.
ITALY 60%
FastEst S.r.l.
ROMANIA 100%
Bio Hold S.r.l.
ITALY 50%
X-Nano S.r.l.
ITALY 20%
PF Venture S.p.A.
ITALY 100%
Hyter S.r.l.
ITALY 100%
Biokomp S.r.l.
ITALY 60%
Cryo Inox S.L.
SPAIN 60%
MicroPyros BioEnerTec G.m.b.H.
GERMANY 63.25%
Yavuz Metal A.S.
TURKEY 70%
Fiorentini International B.V.
THE NETHERLANDS 100%
Multiphase Analytics B.V.
THE NETHERLANDS 60%
Fiorentini do Brazil Oil & Gas E.I.Re.Li.
BRAZIL 100%
Pietro Fiorentini India Ltd.
INDIA 100%
Pietro Fiorentini Kazakistan L.L.P.
KAZAKHSTAN 50%
Terranova S.r.l.
ITALY 50%
Arcoda S.r.l.
ITALY 64%
HPA S.r.l.
ITALY 60%
Giunko S.r.l.
ITALY 60%
Terranova Shanghai Ltd.
CHINA 100%
Terranova Central Asia
UZBEKISTAN 100%
Full consolidation method for subsidiaries
Equity consolidation method for associates
Trading and Manufacturing Company
Trading Company
Service Company
R&D Technologies
Software House
Holding Company

The increasing complexity and competitiveness of the markets that Pietro Fiorentini Group operates in laid the foundations for a **company reorganisation** aimed at making the structure more flexible and responsive to the needs of the sector, while at the same time enhancing internal skills and synergies. The demand for technologically advanced solutions for energy and water infrastructures has necessitated a new operating model, capable of ensuring, on the one hand, greater **timeliness in the development of new solutions** and, on the other, **continuous improvement in terms of quality, productivity and customer service**. The organisation was therefore redefined into **five business areas,** of which **three Strategic Business Units (SBUs)**, each with a specific mission and an increased focus on its own areas of competence.

SBU Gas & Water Solutions for Utilities

Design, production, installation and maintenance of solutions for the transport and distribution of natural gas and water. This includes high, medium and low pressure regulators, stabilisers, filters, meters, grid monitoring and volume conversion devices, gas quality analysers, odorisation systems as well as field and remote data management services.

SBU Oil & Gas Process Solutions and Valves

Design, production, installation and maintenance of solutions for the extraction, treatment, storage and transport of natural gas. This includes complete gas reduction, metering and filtration plants manufactured to customer specifications, in particular EPC (Engineering, Procurement, and Construction) and upstream energy companies, valves, flow meters as well as engineering and field services.

SBU Renewable Solutions

Design, production, installation and maintenance of solutions for the renewable gas market. This includes systems for biogas, biomethane, hydrogen, power-to-gas, bio-LNG (liquefied natural gas), CO_2 capture and liquefaction, gas compression as well as field and remote data management services.

Software Solutions

Development of software solutions for monitoring, invoicing and commodity sales. This includes proprietary solutions and software developed by the subsidiary Terranova for the benefit of companies operating in public utilities: gas, electricity, water and waste.

Waste Solutions

Development of integrated solutions for process control and monitoring of waste collection. This includes the systems developed by the subsidiary Sartori Ambiente for the treatment and valorisation of waste, contributing to the growth of circular economy models.

1.2 GAS & WATER SOLUTIONS FOR UTILITIES

Innovation, a key element in guaranteeing **quality, safety and sustainability**, is at the heart of strategies for the digital transformation of gas and water distribution infrastructures. The Group, through its Gas & Water Solutions for Utilities SBU, develops integrated solutions that combine advanced technologies for regulating and monitoring grids, making it possible to reduce losses, optimise consumption and improve the resilience of infrastructures.

The SBU includes the **Commercial & Residential** and **Transmission & Distribution** divisions of Pietro Fiorentini S.p.A. as well as the regulator production activities carried out by the subsidiaries **Gazfio, Pietro Fiorentini (USA) and Fiorentini (Changzhou) Energy Equipment**, the gas meter production of **Pietro Fiorentini DB India** and the water meter production of the Turkish company **Yavuz Metal**.

Research and development activities, which have intensified in recent years with the aim of ensuring better performance for gas and water grids, are focusing on the integration of advanced metering systems, digitisation of processes and optimisation of operational management, with a direct impact on the sustainability and safety of infrastructures.

The **Pipe 4.0 project**, of which Pietro Fiorentini S.p.A. is one of the partners, continued among the initiatives already underway. The aim is to establish a new paradigm for the **evaluation of the quality and calorific value of distributed gas**, also as a result of the increasing introduction of hydrogen and biomethane into the grid. In 2024, the first results of the trial were presented at industry conferences while further field trials are planned for 2025.

The evolution of infrastructure also extends to the **management of water resources**, in a transformative process towards digital and transparent grids capable of reducing waste and limiting losses.

The Group's investments have continued in this direction, developing **smart solutions and innovative technologies** aimed at monitoring and measuring consumption, with the aim of providing water service managers with cutting-edge tools for managing water, a precious resource to be protected and valued.

1. The Pipe4.0 project is funded by the European ATTRACT Consortium to support innovative research and development projects involving academia, research and industry. https://www.pipe40-project.eu/.

In 2024, **collaboration continued with the Polytechnic University of Milan** to develop innovative sensors for monitoring **water quality**, capable of detecting parameters such as turbidity and the presence of PFAS[2] pollutants.

This technology opens up new frontiers to ensure not only the quantity, but also the safety and quality of distributed water, further reinforcing our commitment to public health and our focus on environmental sustainability.

The investment in this sector also emerges from the active role within **A.C.I.S.M.** (Association of Italian Meter Manufacturers), in which Pietro Fiorentini chairs a working group dedicated to the definition of **innovative standards for smart water meters**, in order to guarantee utilities maximum flexibility, quality and competitiveness.

Flowing into the future

The SBU's in-house expertise, combined with the know-how of the Group's companies specialising in the water world - Terranova, Arcoda and Yavuz Metal - allows it to offer a **complete range of products and services**, from the design and installation of smart meters to remote control, billing and after-sales service.

Smart meters, designed and manufactured in Italy, are at the heart of this transformation: accurate, reliable and equipped with advanced radio technology for continuous data transmission, they enable the timely monitoring of even hidden water leaks. During 2024, Pietro Fiorentini reached the milestone of **500,000 meters produced** and being installed, the result of important collaborations within the National Recovery and Resilience Plan (NRRP).

Integrated shut-off valves are being developed with new advanced features for detecting arrears and reducing consumption, especially in times of drought, thus contributing to a fairer and more responsible distribution of water.

In parallel, **remote control solutions**, based on integrated monitoring devices and software platforms, offer real-time control of grids, allowing early detection of anomalies and leaks, pressure optimisation and automatic flow regulation. This results in a significant **reduction in waste**, lower operating costs and increased service reliability for end users, while promoting an innovative, digital and sustainable water management model.

2. PFAS (perfluorinated alkylated substances) are chemical compounds that many substances used in industry belong to because they are resistant to natural degradation processes due to the presence of very strong bonds between fluorine and carbon atoms.

Best practices and improvement projects

Of particular importance for the SBU organisation is the **Pigafetta**[3] **project**, designed to standardise company procedures and make production processes more consistent. Through the definition of more than 70 operational standards, the initiative optimised **coordination between the various divisions**, enabling harmonisation of industry practices. In the course of 2024, the project expanded its scope, aiming at the scalability of operating models in diversified production contexts.

Also as part of the SBU's best practices, the **Best Transformation Team** programme, launched in 2023, was concluded with the awarding of prizes to colleagues who introduced innovative solutions to improve safety and operational efficiency, in line with Lean principles. The winners are listed below:

- **Process upgrade team** at the Arcugnano site, which focused on the painting, drying and testing phases of some regulators;
- **Safety team** at the Rosate site, which improved the OCRA[4] index of workstations in the production lines;
- **Stock optimisation team** at the Desenzano del Garda site, which tackled the issue of reducing stock value and increasing the turnover ratio, also achieving results in the area of cost reduction.

With regard to improvement activities, a project was started for the **automatic testing of 'FE' pressure regulators** for the US market, which are currently subject to manual testing. The project was financed through participation in the 'Calls for the selection and funding of industrial research and experimental development projects' promoted and managed by **MADE**[5].

The solution developed involves a machine capable of testing the external seal and internal leakage of regulators, ensuring greater process efficiency and reduced testing time. This innovation also enables the **collection and analysis of test data** through advanced traceability systems, improving quality and operational safety.

The initiative is part of the Group's broader commitment to industrial process optimisation, with a focus on **calculating the process carbon footprint** and improving operator safety.

3. As the historiographer who participated in the first circumnavigation of the globe with Ferdinand Magellan (1519-1522), Pigafetta wrote the report of the voyage, leaving us one of the most important documents in the history of exploration.
4. The OCRA index (Occupational Repetitive Actions Index) is obtained from the ratio between the daily number of actions actually performed with the upper limbs in repetitive tasks and the corresponding number of recommended actions.
5. MADE is a Competence Centre simulating a digital factory, set up to carry out orientation, training and finalisation of technology transfer projects with Italian companies on Industry 4.0 topics.

1.3 OIL & GAS PROCESS SOLUTIONS AND VALVES

Building on its 85 years of experience in the industry, the Group develops **advanced solutions along the entire natural gas chain**, from extraction to processing, storage and transport. **Metering, regulation, control**: no aspect is overlooked, to ensure comprehensive support for operators in the sector in the optimal management of resources. The ability to innovate translates into the implementation of advanced valves, multiphase measurement systems and engineered solutions to meet the needs of an increasingly efficiency and sustainability-oriented market.

The Oil & Gas Process Solutions and Valves (PSV) SBU comprises the **Engineering & Operations** and **Service PSV** divisions of Pietro Fiorentini S.p.A., as well as the activities carried out by the subsidiaries **TIV Valves, Gazfio** (for engineered solutions)**, Fiorentini Algerie, Pietro Fiorentini de Mexico and Pietro Fiorentini Saudi Branch**, a branch of Pietro Fiorentini S.p.A. in Saudi Arabia.

They are joined by **GWC Italia**, a company based in Trezzo sull'Adda (MI), of which the Group acquired a 70% share in 2024, strengthening its foothold in the oil and gas valve market.

GWC specialises in the production of ball valves for flow control in extreme environments, with applications in the upstream, midstream, downstream and offshore segments. The company owns 100% of **GWC USA**, which has been operating since 1985 in Bakersfield, California, and is now a reference point for the North American market.

Integration allows the Group to expand its technology portfolio, meeting the needs of global operators with **custom-engineered solutions** designed to ensure maximum operational reliability and reduced maintenance costs.

Valuing resources in Oil & Gas

Oil-related activities represent a small part of the Group's business, and the Group is committed to **optimising its resources** in this area. This includes the sale of more than 800 multiphase flow meters to **Saudi Aramco**, one of the world's leading oil & gas companies, for optimising oil well production.

The use of **OFSC** (Oracle Field Service Cloud) has improved the traceability of device maintenance and calibration, significantly reducing response times and increasing operational efficiency. In 2024, Pietro Fiorentini Saudi Branch technicians reached the milestone of **9,000 service interventions** performed at offshore platforms, refineries and extraction plants. The implementation of predictive tools now makes it possible to anticipate maintenance needs, reducing unscheduled outages and improving reliability. Thanks to the close **cooperation with local branches**, the project is evolving further with the integration of remote diagnostic technologies and automation of service processes, ensuring faster and more effective technical support even in areas with limited connectivity.

In addition to Saudi Arabia and the Persian Gulf, in 2024 the Group commissioned 22 multiphase flow meters for the Kingfisher oil field, located in the Lake Albert Rift basin in **Uganda**.

The project represents a significant advance in the monitoring of oil production in complex environments. **Flowatch 3i flowmeters** are characterised by high accuracy in flow measurement, particularly critical in upstream operations, and their ability to operate **without radioactive sources.** This not only simplifies the regulatory and logistical management of the project, but also reduces the risks for operators. The system will be integrated with real-time data acquisition platforms, enabling continuous monitoring of production and optimisation of extraction strategies.

1.4 RENEWABLE SOLUTIONS

The Renewable Solutions Strategic Business Unit is positioned at the centre of the Group's strategy for the energy transition, developing advanced technologies and solutions for **the production and processing of renewable gases**. Through a synergetic approach between research, industrialisation and implementation, the business unit operates in three main directions: **biomethane, hydrogen and e-fuels**. The aim is to accelerate the decarbonisation of energy grids by optimising existing infrastructure and integrating innovative technologies for increasingly efficient and sustainable production.

The SBU comprises the **Biomethane** and **Power to X** divisions of Pietro Fiorentini S.p.A., as well as the activities carried out by the subsidiaries **Gazfio** (for biomethane plants), **Biokomp, Cryo Inox, Hyter and MicroPyros BioEnerTec.** The transversal **Technology Hub** team plays a key role in coordinating development activities, facilitating collaboration between the different Group companies and promoting convergence between innovation and industrial applicability.

SBU related companies include **Bio Hold, X-nano and Triumph Renewables**, a joint venture created in June 2024 between Pietro Fiorentini (US) and the US company Gruppo. Triumph has become an EPC supplier of biomethane plants in the US, by combining Pietro Fiorentini's upgrading solutions with Gruppo's anaerobic digestion technology.

Biomethane: process optimisation and new solutions

The Group's commitment to the biomethane sector has been consolidated over the years through projects aimed at enhancing the efficiency of the production chain. The offer includes **complete solutions for the treatment** and processing of biomethane, including **injecting** it into the grid or **liquefying** it, in order to meet customers' needs at all stages of the process. Technological solutions are supported by a service model with a flexible contractual duration, which allows one to benefit from a level of support built around one’s specific needs.

The **Trissino** (VI) **site**, home of the Biomethane division and **the Group's tenth Italian production site** was inaugurated in April 2024. Covering an area of 3,000 square metres, the facility is entirely dedicated to the construction of plants for biogas upgrading and biomethane grid injection, consolidating the company's position as a leading technology partner in the renewable gas chain.

The projects launched by the Group in the field of biomethane include **Bio FARM**, an experimental research facility located within the water purification plant in the German city of Straubing, which aims to innovate the production of biomethane by making the best possible use of sewage gas and sewage sludge to create gas mixtures on site. The plant was inaugurated in July 2023 and went into operation in 2024.

Production sites in italy

Pietro Fiorentini

- Arcugnano | Vicenza
- Rosate | Milan
- Desenzano del Garda | Brescia
- San Vito al Tagliamento | Pordenone
- Mantello | Sondrio
- Rescaldina | Milan
- Scandiano | Reggio Emilia
- Arco | Trento
- Malo | Vicenza
- Trissino | Vicenza (in photo)

The **SEMPRE-BIO** project (acronym for SEcuring doMestic PRoduction of cost-Effective BIOmethane), co-funded by the **Horizon Europe**[6] programme also continued throughout 2024. The project focuses on integrating advanced technologies to improve biogas upgrading, reducing operating costs and promoting more sustainable solutions compared to fossil fuels.

As one of the project's 17 European partners, **Cryo Inox** aims to test an innovative cryogenic technology called '**Cryoupgrading**', which enables the conversion of biogas produced from slurry into two separate streams: liquid biomethane (bio-LNG) and liquefied CO_2. This trial aims to assess the **economic viability of small-scale biogas plants** (capacity below 100 m^3/h) that do not benefit from government incentives. If effective, it could transform the profitability of small biogas plants across Europe.

After obtaining the necessary permits and completing further technological optimisations, Cryo Inox will start up the demo plant in Adinkerke (Belgium) in May 2025. This solution, based on innovative technology, aims to produce **bio-LNG and liquefied CO_2,** contributing to the creation of a circular bio-economy and paving the way to carbon neutrality for the agricultural sector.

0 km green gas enabler project kicks off

A decisive step towards enabling infrastructures for renewable gas is the **BiRemi™ plant in Finale Emilia** (MO), launched in January 2024 in cooperation with **AS Retigas**, the gas distribution company of AIMAG Group.

The project, which complies with the ARERA resolution for the management of gas infrastructures, introduces a **bi-directional grid section** to feed biomethane into the national transmission system, marking an evolution in the local distribution model. The **trial**, which will run from 2025-26, will involve several biogas plants in the area with the aim of optimising the upgrading process to biomethane and expanding grid injection capacity.

Pietro Fiorentini, as the **technology partner**, takes care of the design, supply, operation and maintenance of the plant. The same trial also includes four other BiRemi™s for which the Group supplied part of the equipment: these plants were installed and tested in 2024 and will go into operation by the first quarter of 2025.

Indispensable for the success of the initiative will be the **collaboration with SNAM** for all technical and regulatory aspects in the reverse compression operation, i.e. from the local to the national grid: a **regulatory innovation** destined to become - once the trial is complete - a **widespread technology** throughout Italy.

6. Horizon Europe is the European Union's research and innovation programme for the 2021-2027 period. It is the world's largest transnational research and innovation programme with a total budget of 95.5 billion, which includes the 5.4 billion earmarked for the Next Generation EU recovery plan.

Hydrogen: applied research and new technological frontiers

The hydrogen sector is a **strategic area of development**, with investments focused on research into solutions for transport, storage and optimisation of production technologies. Pietro Fiorentini aims to take and maintain a leading role in this business, with the goal of overcoming current limitations by enabling the traditional grid to receive increasing percentages of this green molecule.

In 2024, the **Sirius** project continued, the result of a call for bids promoted by the Ministry of the Environment and Energy Security, dedicated to the realisation within three years of an **electrolyser of more than one megawatt based on AEMWE** (Anion Exchange Membrane Water Electrolyser) technology. **Hyter** is handling the design, engineering and manufacture of the stacks, which have the advantage of not requiring noble metals in the chemical part of the cells. The electrolyser will produce **'green' hydrogen,** i.e. generated without using fossil fuels. In its third and final year of development, the project is nearing completion in 2025 and is currently undergoing experimental testing to validate the studied solutions.

A significant step in Pietro Fiorentini Group's hydrogen research and development activities is the **construction of the electrolyser test field** at the Arcugnano site, a strategic infrastructure that will allow technologically advanced solutions to be tested under real operating conditions. The work, which began at the end of 2024, will provide a crucial asset for the validation of technologies for green hydrogen production.

In collaboration with a broad partnership led by the Polytechnic University of Turin, Pietro Fiorentini S.p.A. and Hyter were awarded a **Horizon Europe Clean Hydrogen Partnership**. Electrolife, a 5-year project with 17 partners that started in January 2024, aims to enhance the sustainability and competitiveness of green hydrogen by addressing one of the industry's main technological challenges: the **progressive degradation of electrolysers**. The limited knowledge of deterioration phenomena in electrochemical cells reduces operating efficiency over time and increases maintenance costs, hindering the large-scale adoption of this technology.

The project is divided into three key areas:

- **analysis of degradation mechanisms**: in-depth study of the causes that reduce the useful life of electrolysers through experimental tests and predictive modelling;
- **optimisation of materials and configurations**: development of new solutions to minimise wear and improve operational stability;
- **experimentation and validation**: carrying out large-scale tests to verify the performance of the innovations introduced and facilitate their industrialisation.

Pietro Fiorentini and Hyter, as part of the international consortium of companies and research institutions involved, provide engineering support for the design and validation of the solutions developed, contributing to the industrialisation of new technologies aimed at increasing **stack performance and durability**. The project team will work in particular on design optimisation, while reducing the amount of critical raw materials, through two chemical laboratories for material synthesis and *ex situ* analysis and the production, assembly and testing lines for the stacks at Hyter and the Arcugnano site.

Expected results include advanced diagnostic tools, predictive maintenance methodologies and a significant increase in the operational stability of electrolysers to **accelerate the establishment of green hydrogen as a sustainable energy carrier**.

Awards in the field of hydrogen

Italian Hydrogen Technology Awards

An event created to reward the know-how of companies operating in the hydrogen technology chain in Italy and abroad. In the 'Innovation in Technology' category, Hyter won the 'Hydrogen Production - Innovative Technologies' award for its work with the Sirius project.

Innovation 4.0 Award

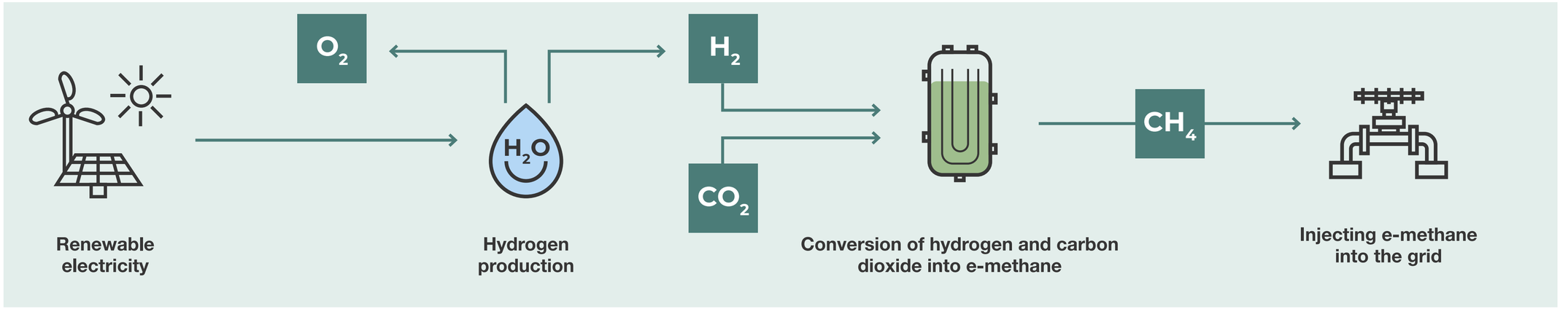
The Hydrogen Innovation Lab, opened in 2022 at the Arcugnano site for the research and testing of technologies and products for the production of hydrogen, was one of the finalists for the prize awarded during the Automation & Testing 2024 exhibition.

E-fuels: development perspectives

E-fuels are fuels in gaseous or liquid form of **non-biological origin** and produced from renewable electricity (e.g. solar or wind). This raw material differentiates them from biofuels, where on the contrary the energy matrix comes from biomass. Although still at an experimental development stage, these solutions offer the potential to **decarbonise energy-intensive sectors** such as aviation and maritime transport. The advantage of e-fuels lies in the fact that, like biofuels, they can use the same infrastructure as their fossil equivalents. **E-methane**, for instance, can play a crucial role in the decarbonisation of existing gas grids without requiring substantial infrastructure reconversion, resulting in significant cost savings. The Group constantly monitors developments in the sector, evaluating investment opportunities and partnerships to accelerate the **integration of e-fuels into existing energy infrastructure,** while diversifying the mix of solutions for the energy transition.

Concerning the **SynBioS** (Syngas Biological Storage) power-to-gas plant that Pietro Fiorentini is building for **Hera Group**, the construction engineering of the project was completed in 2024. Construction has started on the main parts of the plant, including the methanation reactors, the electrolyser, the compressors, the upgrading system, and the power supply and control cabins. Many components have already been completed and will be transferred to the construction site in the first half of 2025.

The activities of **X-nano**, a start-up company owned by Pietro Fiorentini, also continued in 2024. The **Pyro1** prototype system, engineered in 2023, became operational in late 2024 at the company's new site in Casarile (MI). The prototype has a turquoise hydrogen production capacity of 1-2 kg/hour. The development of an industrial prototype of the technology (**Pyro2**) has also begun, in order to test its functionality in a relevant operating environment.



1.5 SOFTWARE SOLUTIONS

The evolution of the energy sector also passes through digital transformation, an area that Pietro Fiorentini Group is engaged in with advanced software solutions for **utility management**, **process digitisation** and **operational optimisation**. The software business area focuses on the development of integrated technologies for monitoring, predictive analysis and grid efficiency, supporting customers in digital transition and sustainability-related paths. In this context, **Terranova**[7], a company belonging to the Group, drives innovation in the sector with a range of digital solutions dedicated to gas grids, electricity, water and environmental management.

TERRANOVA

Founded over 25 years ago, Terranova has established itself as a benchmark in utility digitisation, developing scalable software platforms and web- and cloud-based solutions for intelligent resource management. The company, which employs more than 450 people in eight locations in Italy, Spain, the UK and Uzbekistan, supports over 350 customers with a constantly evolving technology offering. Through collaboration with its partner companies Arcoda, HPA and Giunko, it ensures an integrated digital ecosystem for process monitoring, data management and grid infrastructure optimisation.

arcoda
INFORMATION TECHNOLOGY

Part of Terranova Group since 2016, Arcoda develops advanced software solutions and applications for managing utilities and field teams. Its tools, based on GIS technologies and satellite tracking, enable optimised planning of field interventions, real-time control of grids and integration with smart management platforms. The most recent development concerns the development of augmented reality applications to improve safety and operational efficiency in maintenance and inspection.

Junker

Innovation and sustainability meet in the solutions developed by Giunko, a company acquired by Terranova in 2021 and specialising in the digitisation of circular economy services. Its main project, Junker, is now the most advanced system in Europe for waste and recycling management, thanks to an infrastructure based on artificial intelligence and machine learning. The integration of Junker with the Terranova platforms made it possible to develop new optimisation models for municipal waste management, improving the recycling rate and reducing environmental impact.

HPA
MATH TO INNOVATE

An innovative start-up and accredited spin-off of the University of Verona, HPA joined Terranova in 2021 with the aim of enhancing the use of artificial intelligence for utility management. The company develops solutions based on advanced machine learning and deep learning techniques, enabling the optimisation of operational flows and the improvement of grid reliability. Its technologies are applied in particular in predictive maintenance processes, anticipating failures and anomalies to ensure greater efficiency in energy and water infrastructure management.

7. Further details on Terranova's sustainability initiatives can be found in the Sustainability Report on the company website at this link.

1.6 WASTE SOLUTIONS

Efficient waste management is a strategic element in the **transition towards circular economy models**, reducing environmental impact and valorising resources. In this context, the Group promotes innovative solutions for the optimisation of waste collection, waste treatment and the automation of management processes through advanced technologies and digitised systems. The adoption of intelligent solutions improves the operational efficiency of companies in the sector, reducing costs and ensuring greater environmental sustainability.

Among the Group's companies, **Sartori Ambiente** is the reference for the development of advanced waste management systems. Based in the province of Trento, the company designs and implements hardware and software solutions for the monitoring and **optimisation of waste collection**, integrating IoT technologies for data analysis and workflow automation. The adopted approach aims to reduce the use of virgin raw materials, improve service efficiency and support local governments and utilities in achieving sustainability goals.

For the sector's transformation, digital innovation is a key factor, materialised with **DNA Ambiente**, the new industrial hub created by the integration of five Group companies: Sartori Ambiente, Arcoda, Giunko, HPA and Ambiente.it, Terranova's environmental division.

This platform represents a **digital ecosystem for urban waste management**, based on advanced mapping tools, artificial intelligence and data analysis.

The solutions developed make it possible to **optimise the routes taken by collection vehicles**, reducing mileage and CO_2 emissions, and to apply accurate billing through the use of containers equipped with smart TAGs. Digitisation also makes it possible to **automate the recognition of waste delivered**, improving flow management and combating urban decay through generative artificial intelligence systems and advanced chatbots.

The project was developed in line with European directives on the circular economy and the latest regulatory requirements of ARERA, ensuring increasingly integrated and efficient waste management. DNA Ambiente acts as a **reference model for local administrations and utilities**, offering advanced tools for rationalising processes, reducing operating costs and improving service quality.

dna ambiente
DIGITAL ECOSYSTEM

UrbaE: Ergonomic innovation for separate waste collection

As part of the optimisation of collection operations, the UrbaE project introduces a new generation of **ergonomic containers**, developed to improve the well-being of ecological operators and the efficiency of door-to-door collection. The result of in-depth applied biomechanics studies, carried out in collaboration with CeRism in Rovereto, UrbaE was designed to reduce musculoskeletal overload, improve operators' posture and optimise movements during emptying operations.

Each structural element of the container was developed to **favour more fluid movements and less physical effort**, based on the emptying movements digitally recorded at CeRiSm. The result is a container with an ergonomic handle and an integrated bottom grip that reduces the effort required for emptying. The innovative design allows safer and more comfortable interaction, minimising the risk of injury and improving productivity.

The innovation is not limited to ergonomics: the system includes elements of personalisation and interactivity, which incentivise citizens to **manage their waste responsibly**, thanks to a **digital feedback system** based on nudging techniques, developed as part of an industrial research doctorate programme with the University of Trento, in order to improve the quality of the collected materials.

02

building *progress*

2.1 STAKEHOLDER ENGAGEMENT

The **materiality analysis** allows the identification of environmental, social and governance issues related to **impacts, risks and opportunities** that are most significant for Pietro Fiorentini Group. In this process, the involvement of internal and external stakeholders is crucial to building an open and transparent dialogue with them and to ensure that the results are consistent with their expectations, concerns and priorities. The results of this analysis are also used to inform strategic decisions and guide the definition of **sustainability objectives**.

In 2024, the Group decided to optimise its **stakeholder engagement** process with the aim of strengthening its listening and, consequently, refining its materiality analysis. The stakeholder categories that the company interacts with and the existing channels of dialogue were mapped. Subsequently, stakeholders were prioritised with the aim of defining objectives and ways of engagement: these elements contributed to the drafting of the stakeholder engagement plan.

Stakeholder mapping and prioritisation was conducted according to criteria of relevance to the Group, considering both the impact that stakeholders have on the organisation, e.g. in terms of influence and representativeness, and their sensitivity to sustainability issues. This process led to the identification of **eleven categories of key stakeholders,** including '*affected stakeholders*', i.e. those categories whose interests are or could be directly impacted by the Group.

In the next phase, the engagement objectives were defined for each stakeholder category, with **the identification of the most appropriate modes of engagement** and the definition of the timing and tools to be used for interactions. An initial level of involvement was established, distinguishing between **direct and indirect modalities**: the former involved direct interaction with the stakeholder through the instrument deemed most appropriate, while the latter involved a meeting with the corporate function that manages relations with the reference category.

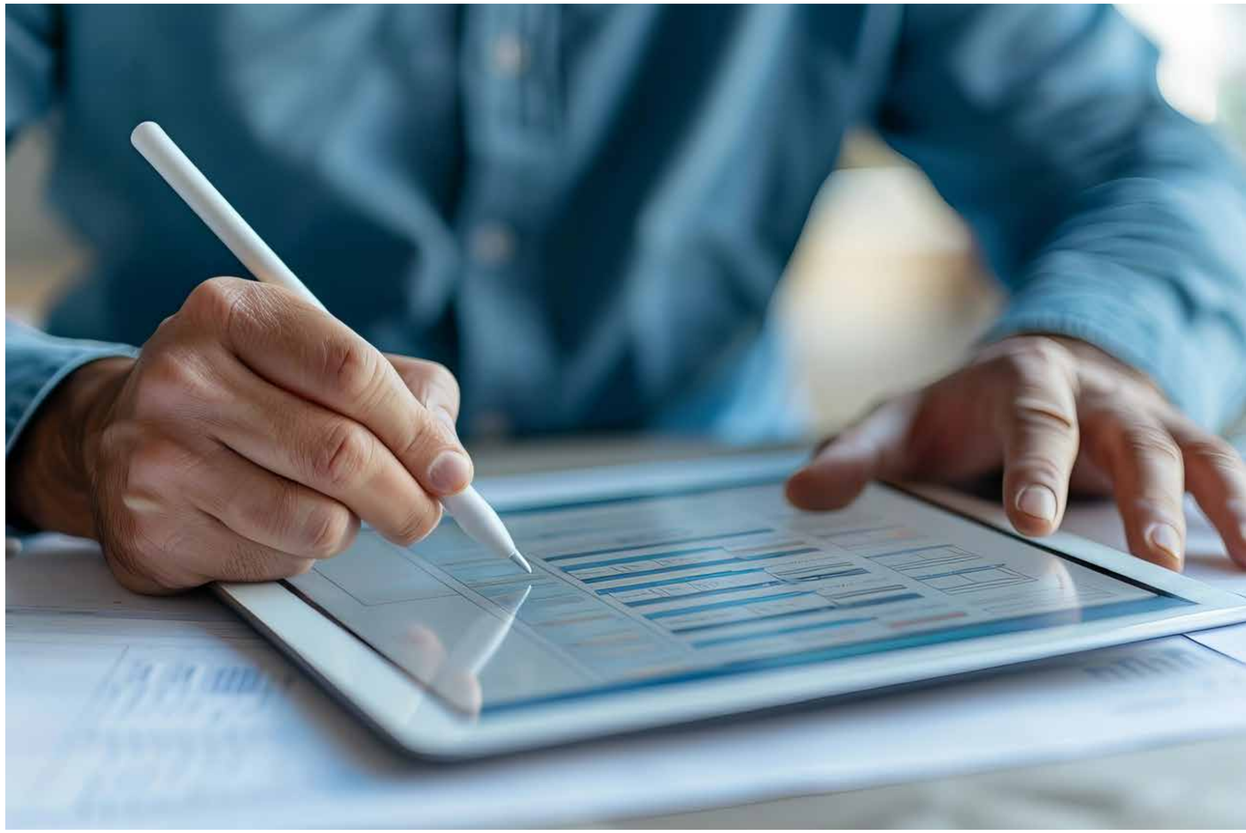
The first tool used was **interviews with management,** conducted with contacts from the HR, HSE, Innovation, Marketing and Corporate Purchasing departments. These meetings made it possible to integrate the internal perspective into the overall assessment of **impacts, risks and opportunities** (**IROs**) per area of competence.

Another tool used were **questionnaires**, with a distinction between **materiality and relevance analysis**. The former aimed to collect a quantitative assessment of impacts from *'affected stakeholders',* using the rating scales suggested by GRI[1] and ESRS[2] standards. The relevance questionnaires, on the other hand, aimed to understand the importance attached to the Group's ESG issues by certain categories of stakeholders (educational institutions, legal and regulatory authorities, trade associations and subsidiaries).

The feedback collection method ensured that the evaluations obtained through the questionnaires were fully integrated into the materiality analysis process.

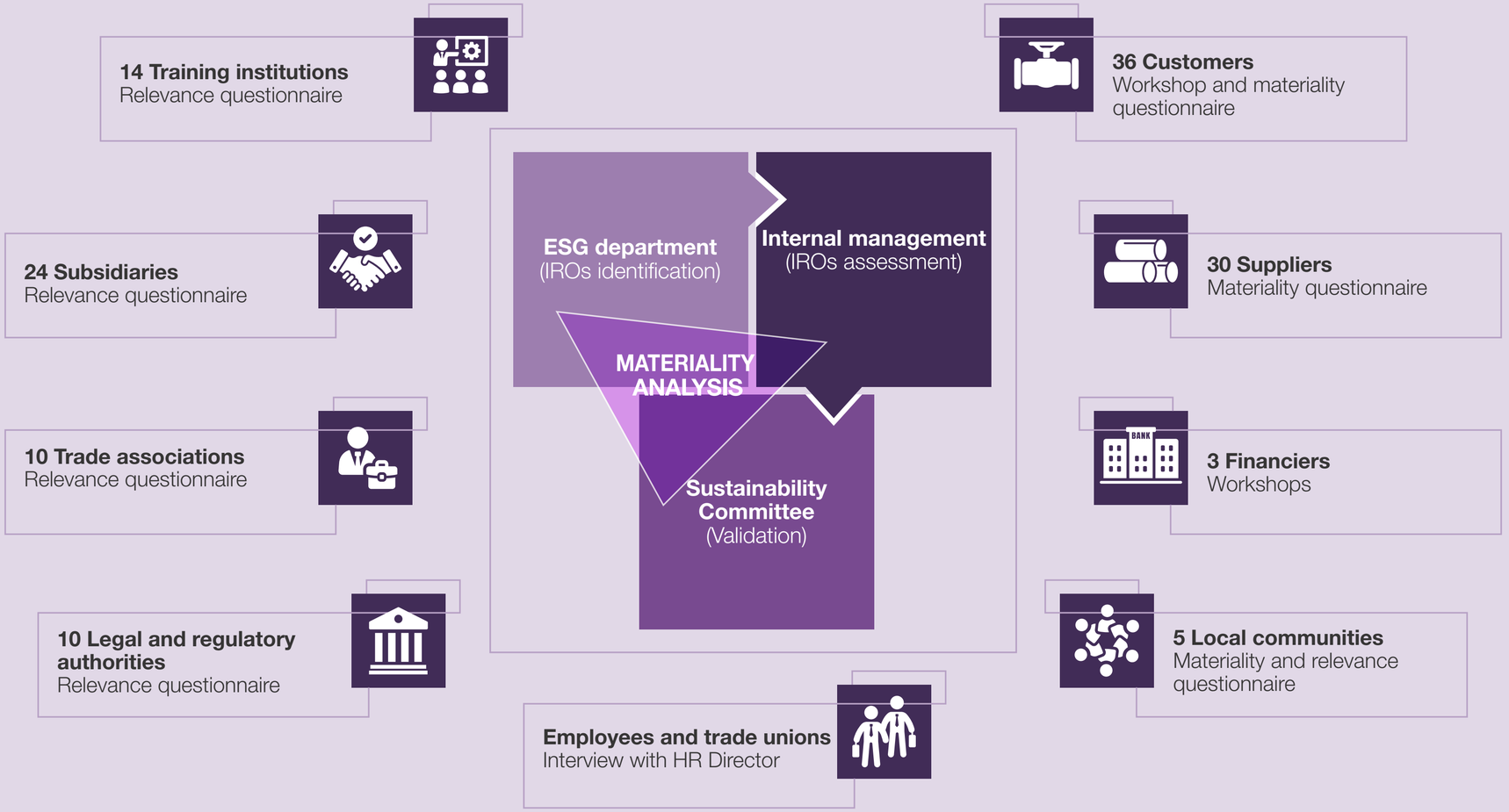
Finally, **workshops** were conducted to ask strategic clients and financiers to evaluate IROs in order to gain a better understanding of their perspectives and expectations from a sustainable development perspective. These meetings generated significant insights for the definition of the Group's priorities for action.

The engagement process brought significant results, with the participation of **132 stakeholders** through the different instruments. Worth mentioning was the response from educational institutions, with a participation rate of 93%, followed by subsidiaries with 83%, local communities with 80% and suppliers with 63%. Customer participation, although lower in terms of percentage with questionnaires (17%), was particularly relevant in the strategic workshops.



1. Global Reporting Initiative, international sustainability standards that this Report has been prepared under, until the 2023 edition.
2. European Sustainability Reporting Standards, introduced by the CSRD and issued by the European Financial Reporting Advisory Board (EFRAG), on the basis of which this Report was prepared.

Stakeholder categories and modes of involvement



2.2 THE DOUBLE MATERIALITY ANALYSIS

CSRD (Corporate Sustainability Reporting Directive) introduced **double materiality**, a process that aims to determine whether a sustainability topic or information should be included in a company's sustainability strategy and reporting. The term 'double' is derived from the analysis of two dimensions:

- **"Impact Materiality"** or **"inside-out"** logic for the assessment of environmental, social and governance areas and issues on which the Group, through its activities, has a significant external impact;
- **"Financial Materiality"** or **"outside-in"** logic for the assessment of sustainability aspects that may have significant impacts on the company's development and performance and, consequently, on its financial value.

The Corporate Sustainability Reporting Directive

EU Directive 2022 / 2464 sets **new rules on sustainability reporting,** aimed at increasing clarity and transparency. The Sustainability Report must be drawn up according to common standards (European Sustainability Reporting Standards - **ESRS**).
The Directive was **transposed in Italy by Legislative Decree 125/2024**, which confirmed 1 January 2025 (with publication in 2026) as the date on which the obligation to comply also applies to Pietro Fiorentini Group. A **CSRD readiness exercise** was conducted in 2024, bringing forward the alignment of reporting to the new ESRS standards by one year.

The first set of ESRS (Standard Sector-Agnostic) standards is represented in the diagram below:

Cross-cutting standard	Topical standard		
	Environmental	Social	Governance
ESRS1 General Requirements **ESRS2** General disclosure	**E1** Climate change **E2** Pollution **E3** Water and marine resources **E4** Biodiversity **E5** Resource use and circular economy	**S1** Own workforce **S2** Workers in the value chain **S3** Affected communities **S4** Consumers/ End-users	**G1** Business conduct

For an external impact (Impact Materiality), a risk or an opportunity for the Group (Financial Materiality) to be deemed material, it must exceed the **materiality threshold** in one of two assessments, impact or financial.

Compared to the first double materiality exercise conducted in 2023, during 2024 the Group further improved the analysis process, deepening the **list of potential IROs** and engaging its stakeholders in the assessment. As suggested by the *Implementation Guidance EFRAG IG 1 - Materiality Assessment*, stakeholders can be involved at all stages where each is able to make a **relevant contribution**. Group stakeholders were therefore engaged in the first three of the four stages of the double materiality analysis process, from the identification of IROs to their evaluation.

Identification of impacts, risks and opportunities	**Impact Materiality**	**Financial Materiality**	**Double materiality matrix**
Identification of the main IROs potentially material to the Group	Evaluation of significant impacts and material issues from an inside-out perspective	Assessment of significant risks/ opportunities and material issues from an outside-in perspective	Aggregation of results and construction of the double materiality matrix

Identification of impacts, risks and opportunities

In order to identify potentially relevant IROs for the Group, an analysis was conducted on the organisation's external context - considering best practice, industry and regulatory framework - and analysing the internal context, from business model to strategy.
For the identification of **positive and negative, actual and potential impacts** on the economy, environment and society, various external sources were considered, including the World Economic Forum's Global Risk Report, the EU Green Deal, the first set of ESRS standards, Global Compact principles, industry standards, material topics from peers and competitors, and company documentation, with the aim of updating the mapping that emerged from last year's materiality analysis.

To identify **risks and opportunities**, a number of company managers were interviewed and **Enterprise Risk Management** (**ERM**) reporting documents were analysed in order to create an alignment with the company's risk assessment and mitigation methodology.

FOCUS: Stakeholder Engagement

In this first phase of IROs identification, mainly internal stakeholders such as the ESG function and management were involved.
During the external stakeholder engagement activities through questionnaires and workshops, however, important perspectives were gathered from customers, financiers, suppliers and local communities that enriched the initial mapping.

Thanks to the **analysis of the external and internal context**, it was possible to define the list of potentially relevant IROs for the Group, highlighting which stage of the **value chain** is most impacted between: "*upstream*", i.e. all activities upstream of the company; "*company*", if the impact is mainly internal; "*downstream*", i.e. all activities downstream of the company.

Impact Materiality

Potentially significant impacts were subjected to **an evaluation process by the Group's internal and external stakeholders** in order to determine their significance and prioritise them. The impacts identified were divided into positive and negative, actual and potential impacts. In addition, the time horizon of impacts was considered by dividing them into **short, medium and long term.**

FOCUS: Stakeholder Engagement

For this phase, in addition to the ESG function, directly impacted customers, suppliers and local communities were involved in the assessment. Some customers participated in workshops to gather strategic perspectives and insights for impact assessment.

Following the guidelines of the EFRAG standards regarding evaluation metrics, the **significance of an actual impact** was defined on the basis of severity, assessed in relation to three dimensions:

a) **scale:** in terms of the gravity of the impact;
b) **scope:** in terms of how widespread the impact is;
c) **irremediable character:** based on the possibility of remedying the damage (for negative impacts only).

For **potential impacts**, in addition to severity, the **likelihood** of occurrence was also assessed. Impacts with potential **consequences on human rights** were identified within the assessment process: in these cases, the assessment of severity was considered more than its likelihood.

The aggregation of the results was done by assigning different weights to the evaluations based on the effectiveness and depth of analysis of the method used. Impacts were classified into **four categories according to their level of significance**, respectively 'high', 'medium-high', 'medium-low' and 'low', according to previously determined quantitative thresholds.

Financial Materiality

The risks and opportunities identified may be directly related to the impacts generated but may also stem from other factors, such as exposure to extreme weather events or changes in sustainability regulation. The results of the risk assessment carried out on the Group's main companies were also considered, with a view to further **integrating risk analysis with ESG issues.**

FOCUS: Stakeholder Engagement

The only external stakeholder category involved in this phase was the financiers, in line with the guidance provided within the *EFRAG Implementation Guidance IG 1 - Materiality Assessment*.

As mentioned in the previous section, the financiers were all involved through dedicated workshops, gathering during the same meeting both their assessments of the Group's risks and opportunities, and any useful perspectives to identify new ones.

The metrics proposed by EFRAG for assessing the materiality of risks and opportunities were also followed for Financial Materiality, taking into account quantitative and/or qualitative financial thresholds. Materiality was measured as the **product of the likelihood** of occurrence **and severity**, i.e. the scope of the potential financial effects generated by the identified risk and/or opportunity.

The evaluation method, including qualitative-quantitative metrics, and the subsequent prioritisation were defined in **alignment with the ERM process.**

Similar to the Impact Materiality, the aggregation of results was done by assigning weights to internal management evaluations and those obtained from the comparison with financial stakeholders. The risks and opportunities were then classified into four categories according to their level of significance, as was done in the previous phase.

2.3 THE MATERIALITY MATRIX

A total of 47 impacts, 34 risks and 11 opportunities associated with 14 material topics were assessed for the double materiality analysis. The materiality threshold was defined by taking into account impacts that fell into the categories of 'high' and 'medium-high' in the two perspectives. The following were deemed material **27 impacts, 18 risks and 7 opportunities.**

The tables below summarise Pietro Fiorentini Group's **most significant IROs for each material topic** generated (Impact Materiality) and suffered (Financial Materiality), divided according to the three dimensions of sustainability.

FOCUS: Stakeholder Engagement

The priority topics identified by the external stakeholders involved in the double materiality process are:

- Sustainability governance
- Climate change
- Pollution
- Health and safety
- Sustainable supply chain
- Customer centricity

Governance IROs

Priority IRO for stakeholders | Short term (up to 1 year) | Medium-term (2 to 5 years) | Long-term (> 5 years) | Upstream | Company | Downstream

Material topic	Description of topic	IRO type	IRO description	Affected stakeholders	Time horizon	Value chain[3]
Sustainability governance[4]	Ensuring the integration of ESG issues into the business model, strategy and risk analysis	Actual positive impact	Contributing to the achievement of sustainability goals through the integration of ESG principles within the business model, strategy and risk analysis	Customers and management	■□□	Downstream
		Actual positive impact	Increasing operational efficiency, reducing waste and optimising resources through the application of lean & agile management principles	Management	■□□	Company
		Risk	Economic and reputational damage due to an external hacker attack, compromising the security of the entire corporate network and loss of confidential information	Financiers and management	■□□	Company
		Risk	Failure to implement an ESG strategy integrated with business topics (e.g. setting emission reduction targets)	Financiers and management	■□□	Company
		Risk	Potential undermining of transparency and reduction of stakeholder trust due to a governance system not fully aligned with best practices	Management	■□□	Company
		Opportunity	Accessing ESG funding linked to the achievement of sustainability objectives	Management	■□□	Company
Business ethics	Operating loyally and fairly, in compliance with the law Creating adequate internal control systems and promoting a culture of integrity and honesty to build trusting relationships with stakeholders Promoting anti-corruption training for employees Ensuring respect for human rights	Risk	Infringement of the intellectual property of third parties, or by third parties, due to the leakage of relevant confidential information	Financiers and management	■□□	Company
		Risk	Sanctions and risk of penalties for inadequate regulatory compliance, due to the difficulty of monitoring the Group's various businesses	Financiers and management	■□□	Downstream

3. In this column, the phase of the Group's value chain that is most impacted has been inserted between: "upstream", i.e. all activities upstream of the company; "company", if the impact is mainly internal; "downstream", i.e. all activities downstream of the company.
4. The material topic 'ESG integration into the business', which was present in 2023 Sustainability Report, was changed to 'Sustainability governance'.

Environmental IROs

Priority IRO for stakeholders | Short term (up to 1 year) | Medium-term (2 to 5 years) | Long-term (> 5 years) | Upstream | Company | Downstream

Material topic	Description of topic	IRO type	IRO description	Affected stakeholder	Time horizon	Value chain[3]
Energy transition[5]	Strengthening decarbonisation activities through innovation and digitisation, optimising infrastructure efficiency Developing partnerships to identify technologies that support the reduction of CO_2 emissions and promote a sustainable future	Actual positive impact	Developing solutions to support energy transition and grid digitisation, including through M&A and external partnerships	Customers and management		
		Opportunity	Increased turnover from green gas and grid digitisation businesses, also with a view to attracting more funding (e.g. improvement of taxonomy KPIs)	Financiers and management		
		Risk	Slowdown in the development of some businesses, such as biomethane, which are highly dependent on the provision of public incentives	Financiers and management		
Circular economy	Promoting circularity principles in the development of new products, paying attention to the use of environmentally friendly materials and packaging and in waste management	Actual negative impact	Marketing of products that have not been designed according to the principles of circularity and eco-design	Management		
		Actual positive impact	Developing solutions to support the green transition in waste management	Customers and management		
		Actual negative impact	Poorly managed procurement of raw materials, affecting the availability of critical raw materials and the use of conflict minerals[6]	Suppliers and management		
		Actual negative impact	Generation of hazardous waste linked to production activities and destined for disposal	Management		
		Potential positive impact	Design of new products and end-of-life treatment according to circularity and eco-design principles, also based on Life Cycle Assessment studies	Customers and management		
		Opportunity	Improved market competitiveness linked to the design of new products in line with circularity and eco-design principles	Financiers and management		
		Opportunity	Increased turnover from waste management businesses, also with a view to attracting more funding	Financiers and management		

5. The material topic on 'Innovation and digitalisation', featured in 2023 Sustainability Report, was combined with 'Energy transition', recognising the close interconnection between innovation and the Group's environmental objectives.
6. The term 'conflict minerals' refers to the minerals of 4 base metals - tin, tungsten, tantalum and gold - from conflict zones, resulting in human rights violations, labour exploitation and possible financing of armed groups.

Priority IRO for stakeholders | Short term (up to 1 year) | Medium-term (2 to 5 years) | Long-term (> 5 years) | Upstream | Company | Downstream

Material topic	Description of topic	IRO type	IRO description	Affected stakeholder	Time horizon	Value chain[3]
Climate change[7]	Promoting the implementation of projects dedicated to monitoring and reducing greenhouse gases at Group level Developing energy efficiency initiatives and improving the resilience of infrastructure in terms of energy consumption	Actual negative impact	Generation of indirect Scope 3 greenhouse gas emissions related to activities along the value chain	Customers, suppliers and management	Medium-term (2 to 5 years)	Downstream
		Actual negative impact	Generation of indirect Scope 2 greenhouse gas emissions related to electricity consumption at Group production sites and offices	Customers and management	Medium-term (2 to 5 years)	Company
		Actual negative impact	Generation of direct Scope 1 greenhouse gas emissions related to site heating systems and corporate fleet fuels	Customers and management	Medium-term (2 to 5 years)	Company
		Actual negative impact	Use of fossil fuels, energy and gas from non-renewable sources for business activities	Management	Short term (up to 1 year)	Company
		Risk	Loss of market competitiveness caused by failure to measure and reduce the company's carbon footprint and, in particular, Scope 3 emissions	Financiers and management	Medium-term (2 to 5 years)	Company
		Risk	Possibility of incurring administrative sanctions, criminal offences against individuals and corporate sanctions for incorrect waste management, industrial discharges and atmospheric emissions	Financiers and management	Short term (up to 1 year)	Company
		Risk	Changing customer needs towards solutions that favour a lower environmental impact (e.g. reducing the carbon footprint of products)	Financiers and management	Medium-term (2 to 5 years)	Company
		Risk	Potential economic losses and infrastructure damage due to extreme weather events	Financiers and management	Medium-term (2 to 5 years)	Company
Water resource	Promoting water recycling and reuse, encouraging conservation practices Optimising and/or improving the efficiency of water infrastructures, ensuring quality and environmental sustainability	Actual positive impact	Development of solutions to support the green transition in water and grid digitisation, including through M&A and external partnerships	Customers and management	Medium-term (2 to 5 years)	Downstream
		Opportunity	Increased turnover from water and grid digitisation businesses, also with a view to attracting more funding	Financiers and management	Medium-term (2 to 5 years)	Downstream

7. The material topic of 'Emissions and resilient infrastructure' in 2023 Sustainability Report was changed to 'Climate change'.

Social IROs

Priority IRO for stakeholders | Short term (up to 1 year) | Medium-term (2 to 5 years) | Long-term (> 5 years) | Upstream | Company | Downstream

Material topic	Description of topic	IRO type	IRO description	Affected stakeholder	Time horizon	Value chain[3]
Health and safety	Promoting a 'safety first' culture throughout the Group, to prevent and monitor any potential risk, considering both internal and external collaborators	Actual positive impact	Dissemination of the 'safety first' culture through employee training and participation in initiatives complementary to ISO 45001	Management	■□□	
		Potential negative impact	Accidents with serious consequences on employees	Management	■□□	
		Risk	Possibility of incurring administrative sanctions, extra costs and accidents due to lack of substantial safety and formal conformity of work equipment	Financiers and management	■□□	
People's well-being and development[8]	Attracting and retaining talent through potential development programmes and strengthening hard and soft skills Guaranteeing life/work balance through a well-being system that meets the needs of employees	Actual positive impact	Improvement of workers' skills and dissemination of company know-how to external stakeholders through the provision of training programmes with universities and research centres	Management	■□□	
		Actual negative impact	Worsening business climate due to negative market trends	Management	■□□	
		Actual positive impact	Talent enhancement through the development of customised growth paths	Management	■□□	
		Opportunity	Improvement of workers' hard and soft skills through training programmes, resulting in enhanced company know-how and market competitiveness	Financiers and management	■□□	
Diversity & Inclusion	Promoting diversity, equal opportunities, and inclusion by sharing a non-discriminatory culture that finds value in various abilities, origins, experiences, and orientations	Potential positive impact	Promoting an inclusive working environment that respects diversity, ensuring maximum fairness in remuneration policies and valuing the different social and cultural backgrounds of employees	Management	■■□	
		Risk	Perception by external stakeholders of reduced dissemination within the Group of the principles of diversity and inclusion in personnel selection and development processes	Management	■■□	

8. The material topics 'People wellbeing' and 'HR management & enhancement', which were present in 2023 Sustainability Report, were merged under the theme 'People's wellbeing and development'.

Priority IRO for stakeholders | Short term (up to 1 year) | Medium-term (2 to 5 years) | Long-term (> 5 years) | Upstream | Company | Downstream

Material topic	Description of topic	IRO type	IRO description	Affected stakeholders	Time horizon	Value chain[3]
Sustainable supply chain	Adopting responsible and ethical procurement policies, that entail the selection of suppliers in consideration of their ESG performance Establishing long-term relationships, also with the aim of developing innovative approaches to sustainability topics Promoting the stability and integrity of the entire supply chain	Potential negative impact	Possible abuse of human rights and exploitation of forced and child labour along the supply chain	Suppliers and management	■■□	
		Potential negative impact	Accidents with serious consequences occurring to external non-employee personnel (e.g. contractors' personnel working on company sites)	Suppliers and management	■□□	
		Actual positive impact	Building strong relationships with suppliers, based on reliability and transparency, through compliance with contractual terms and payment schedules	Suppliers and management	■□□	
		Potential positive impact	Integration of ESG principles in the choice of partners along the value chain, resulting in improved sustainability practices (e.g. application for adherence to 231 model, certified management systems, emissions monitoring, etc.)	Suppliers and management	■■□	
		Potential positive impact	Measuring and reducing ESG impacts along the supply chain (e.g. CO_2 emissions, respect for human rights, etc.)	Suppliers and management	■■□	
		Risk	Reputational damage resulting from discrimination and violation of human and labour rights legislation by the company or its suppliers	Financiers and management	■□□	
		Risk	Working with suppliers not in line with sustainability standards (e.g. compliance with health and safety, environmental and human rights standards)	Financiers and management	■□□	
		Risk	Accidents with serious consequences occurring to external non-employee personnel	Financiers and management	■□□	
		Risk	Rising commodity costs and longer delivery times due to possible disruptions in the global supply chain caused by macroeconomic changes	Financiers and management	■□□	

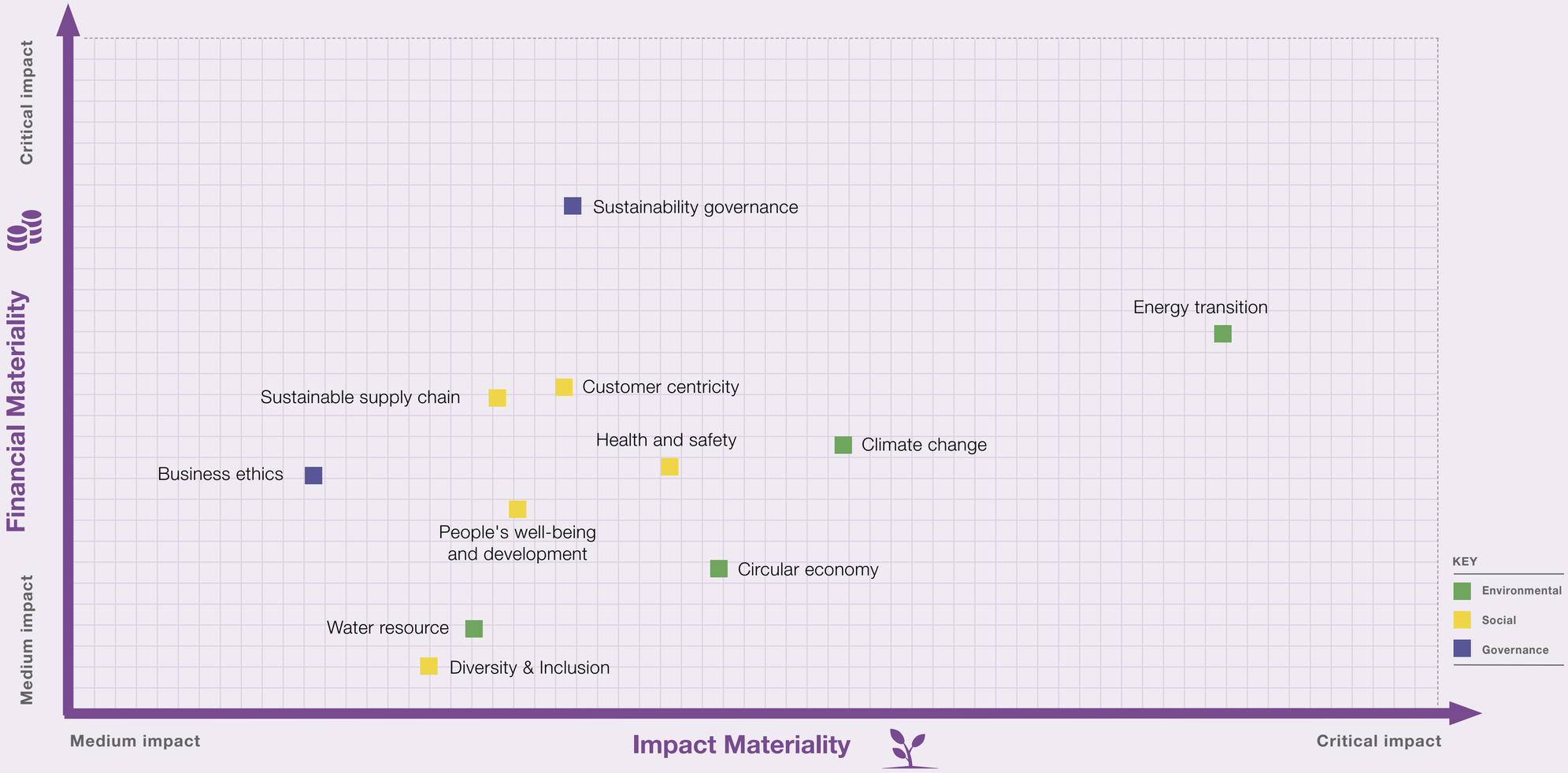
Priority IRO for stakeholders | Short term (up to 1 year) | Medium-term (2 to 5 years) | Long-term (> 5 years) | Upstream | Company | Downstream

Material topic	Description of topic	IRO type	IRO description	Affected stakeholders	Time horizon	Value chain[3]
Customer centricity	Ensuring quality and reliability of products and services, in order to prevent and manage potential situations that may compromise customer safety, product/service conformity and business continuity. Increasing the level of customer satisfaction by providing constant support when needed and innovative and sustainable solutions	Actual negative impact	Customer dissatisfaction related to the development of products not in line with expectations and quality-related issues of marketed products	Customers and management	■□□	
		Potential positive impact	Continuous innovation of products and services in order to improve their quality and meet customer needs	Customers and management	■□□	
		Potential negative impact	Negative impacts on the health and safety of customers caused by the malfunctioning of sold products	Customers and management	■□□	
		Risk	Economic and reputational damage for possible non-conformity of products sold, due to the lack of integrated management of quality issues within the Group	Financiers and management	■□□	
		Opportunity	Development of technologically advanced solutions in green gas, water, waste management and grid digitisation businesses	Financiers and management	■□□	
		Risk	Lack of implementation of a sustainability strategy at company and product level, also based on customer expectations and demands (e.g. carbon footprint calculation, product LCA, etc.)	Financiers and management	■■□	

The double materiality analysis clearly shows that Pietro Fiorentini Group is generating significant environmental and social impacts.

The Group remains committed to **combating climate change** by implementing specific projects dedicated to monitoring and reducing greenhouse gases, with a focus on Scope 1, 2 and 3 emissions management throughout the value chain. Demonstrating its commitment to the issue, in 2024 the Group expanded the scope of its Scope 3 emissions calculation to include new categories, with the aim of measuring its **carbon footprint** more comprehensively. A valuable asset is represented by employees, for whom the Group renews its daily commitment to improving their well-being and **health and safety**, as demonstrated by the dissemination of the 'safety first' culture.

In the 2024 analysis, **customer focus** again emerges as a key element, along with a commitment to offer products and services fully in line with customer expectations, with an increasing focus on green. This point is further emphasised by the considerable efforts the Group is making in **developing technologies for energy transition, water cycle and environmental management.**


Critical impact
Financial Materiality
Medium impact
Sustainability governance
Energy transition
Customer centricity
Sustainable supply chain
Health and safety
Climate change
Business ethics
People's well-being
and development
Circular economy
Water resource
Diversity & Inclusion
KEY
Environmental
Social
Governance
Medium impact
Impact Materiality
Critical impact

Governance issues are essential to ensure the proper management of opportunities and risks related to ESG aspects, as also highlighted by stakeholder assessments. The organisation's DNA, in line with **lean & agile** principles, is characterised by a strong focus on operational efficiency, but is also permeated by the **increasing integration of ESG strategy into the business** - increasingly seen as a key factor in achieving long-term sustainability objectives.

The results of the Impact and Financial Materiality analyses were used for the **definition of the material topics** and for the elaboration of the double materiality matrix. Each topic was given a score from a double perspective as a weighted average of its associated IROs, including stakeholder evaluations.

The aggregation of the results allowed the matrix representation of the Group's materiality, confirming the consistency of the priority topics with the objectives that the **sustainability strategy** was defined by.

From the double materiality matrix, they emerge as **priority topics** from both perspectives: **'Energy transition', 'Climate change', 'Sustainability governance', 'Health and safety'** and **'Customer centricity',** demonstrating how the most relevant topics encompass every aspect of sustainability, from the environment to workers and customers to governance.

From an **Impact Materiality** perspective, the topic of **'Energy transition'** emerges as the highest priority based on the relevance of the positive and negative impacts that the Group generates towards its stakeholders, particularly with regard to the development of green solutions to support the transition.

On the contrary, according to the **Financial Materiality** perspective, the most significant topic is **'Sustainability governance'.**

The analysis included the assessment of new IROs associated with three topics not mapped in 2023, **'Pollution', 'Biodiversity and ecosystems' and 'Local communities',** which, however, **were not material.** Instead, the topic 'Stakeholder engagement' was removed, as it was no longer consistent with the requirements of the ESRS standards.

2.4 OUR ESG GOALS

Governance goals

Material topic	2024-2026 goals	Progress		Reference SDG[9]
Sustainability governance	Obtaining **SA 8000 certification at Gazfio** and evaluation of extension to other companies		Activity not started in 2024, to be planned. Ongoing certification process at Gazfio for **ISO 14001 and 45001**	 
	10% MBO of top management **linked to sustainability KPIs**		KPIs for **overtime reduction** and **holiday** and leave consumption are present	
	Conducting **2 meetings per year** in which the progress of the **purpose implementation initiatives** is communicated to staff		New corporate purpose **presented in May 2024** at Pietro Fiorentini S.p.A. and in the following months at the subsidiaries	
	100% of Group companies[10] included in the scope of the Sustainability Report		**Included all subsidiaries** part of the Consolidated Financial Statements	
	Defining **requirements for Board members** of Group companies, conducting training plans and monitoring performance (according to the 'fit and proper' approach)		**Training of top management** on governance topics carried out, implementation of requirements in Group companies to be verified	
Business ethics	**Updating the 231 Model** and related training		**Risk assessment review** planned in 2025, preparatory to updating the Model	
	Updating the Code of Ethics and launching a training programme		Activity not started in 2024, to be planned	

9. The Sustainable Development Goals (SDGs) are a set of 17 goals defined by the United Nations as a strategy 'to achieve a better and more sustainable future for all'. They are part of the 2030 Agenda, a document that recognises the close link between human well-being, the protection of natural systems and the presence of common challenges for all countries.
10. Companies within the scope of the Consolidated Financial Statements in the reporting year are taken into account.

Environmental goals

Material topic	2024-2026 goals	Progress		Reference SDG
Energy transition	Provision of solutions and development of Group-owned plants to **enable the production of one billion cubic metres of biomethane per year**, resulting in **an annual reduction of 1.4 million tCO_2-eq**[11]		Enabled annual production of approximately **173 million cubic metres**, resulting in **an annual reduction of** approximately **350 $ktCO_2$-eq**	
	Such an increase in the **Low-carbon turnover** in plant production as to exceed the high-carbon turnover[12]		The turnover from low-carbon plants is **about half** that of conventional plants	
	Start-up of the **first 5 BiRemi systems**, enabling approximately 20 million cubic metres of biomethane per year in the distribution grid		The 5 systems were **installed**. Commissioning is planned for April 2025, when the **ARERA trial** begins with these participating sites	
	Start-up of first **1 MW electrolyser for hydrogen generation** with Hyter's AEMWE[13] technology		A **test bench for testing** 125 kW stacks was **built** at the Arcugnano site, with this first prototype being completed by May 2025	
	Development of **'turquoise' hydrogen production** solutions ([TRL14] 5 in 2026)		The **PYRO 1** prototype became operational at the end of 2024. **Development of an industrial prototype (PYRO 2)** of the technology was started	
	Commissioning of at least **6 CO_2** capture and liquefaction systems, resulting in an annual reduction of approximately 33 $ktCO_2$-eq		**Two** CO_2 capture and liquefaction **systems installed**, resulting in an **annual reduction of 8.7 ktCO2-eq**	

11. The annual production of biomethane production plants for which Pietro Fiorentini has supplied at least the biogas upgrading, liquefaction plant or grid injection system is included in the scope of the goal. Cumulative production up to and including 2026 is considered, including the existing plant stock and not those in order or under construction. The reduction in CO_2 emissions was estimated on the basis of assumptions regarding the carbon footprint and the possible target sector (transport or other uses) of each country where the plants will be marketed. In the interests of simplification, the two targets in 2023 Sustainability Report relating to biomethane production have been merged.
12. Low carbon turnover includes biogas upgrading, biomethane liquefaction or injection, CO_2 recovery and liquefaction, reverse flow and power-to-gas systems. High carbon turnover includes all other plants in the Group's product range.
13. The electrolysers produced by Hyter use Anion Exchange Membrane Water Electrolysis. This technology, compared to others currently available on the market, has excellent efficiency, allows a significant reduction in investment costs and a lower environmental impact.
14. The term TRL (Technology Readiness Level) stands for a method for assessing the degree of maturity of a technology. It is based on a scale of values from 1 to 9, where 1 is the lowest (definition of basic principles) and 9 the highest (system already used in the operating environment).

Material topic	2024-2026 goals	Progress		Reference SDG
Energy transition	Commissioning of the **SynBioS plant** and production of the first cubic metre of methane using the MicroPyros BioEnerTec biological methanation catalyst		In 2024, **the construction engineering** of the project was almost completed. Many components are ready for transfer to the construction site, which will start in the first half of 2025	
	Development of solutions for **syngas methanation** from biomass or solid waste (achievement of TRL 6 in 2026)		Project development is highly dependent on winning a bid	
Circular economy	Conducting a **Life Cycle Assessment on at least one product per product family** and identifying relevant improvement actions		LCA on **Reflux regulator** and **Trunnion valve** and carbon footprint analysis on **SSM Icon gas meter**	
	Collection of 500,000 tonnes of organic waste per year through Sartori Ambiente devices, equivalent to approximately 4,450 tCO_2-eq		About **518 kton of** organic waste collected	
Climate change	**Extension of ISO 50001 certification** to other Pietro Fiorentini sites **(Rosate and Desenzano del Garda)** and **Gazfio**, with the consequent launch of plant energy efficiency initiatives		**Audit to extend certification** to Rosate and Desenzano del Garda sites **in early 2025**	
	Calculation of the organisation's **carbon footprint**		Carbon footprint **calculation completed with integration of** Scope 3 emission **categories 4, 7, 9 and 12**	
Water resource	Development of **smart water meters** with rangeability[15] up to 800, with the aim of intercepting and **reducing water losses** (TRL 9 in 2026)		Ongoing development of **new line of smart meters** for the residential sector and project to **make mechanical meters smart at Yavuz Metal**	

15. Rangeability refers to the ratio between maximum and minimum flow rate.

Social goals

Material topic	2024-2026 goals	Progress		Reference SDG
Health and safety	Management of at least **280 reports per year of events - near misses, first aid and concerns** - occurring at Pietro Fiorentini, with the aim of raising awareness on health and safety issues	✓	In 2024, **352 reports** were handled in various divisions of Pietro Fiorentini S.p.A.	 
	Conducting **HSE assessments in 15 subsidiaries** and initiating improvement plans on the basis of identified criticalities	⚙	**Assessments carried out in 6 companies**: TIV Valves, Sartori Ambiente, Hyter, Biokomp, Gazfio and MicroPyros BioEnerTec	
People's well-being and development[16]	Achieving and maintaining a **voluntary turnover rate**[17] **of less than 8%**	✓	At **Pietro Fiorentini and TIV Valves** the voluntary turnover rate was less than **6%**	 
	80% of employees involved in at least **1 kaizen event/week**[18]	⚙	In 2024, **76%** was achieved	
	Achievement and maintenance of **at least 40 hours of training per employee**	⚙	An average of **36 hours of training** was carried out	
	Achieving and maintaining a **score of at least 60% in the climate analysis**	▭	Analysis postponed due to internal reorganisation	
Diversity & Inclusion	Obtaining **gender equality certification** in at least one Group company	▭	Activity not started in 2024, to be planned	 
	Formalising a **policy on staff diversity and inclusion** and launching a training programme	▭	Activity not started in 2024, to be planned	

16. The target of '20% of Pietro Fiorentini employees active on apps for promoting wellbeing initiatives' was not reported because it was considered no longer a priority.
17. Only voluntary resignations are taken into account in the calculation, not retirements and dismissals.
18. 'Kaizen' is a Japanese term referring to the set of activities aimed at continuous improvement. At the moment, employees of Pietro Fiorentini, TIV Valves and Gazfio are involved, but it is planned to be applied to other Group companies.

Material topic	2024-2026 goals	Progress		Reference SDG
Sustainable supply chain	Formalisation of a **policy on respect for human rights of internal and external stakeholders** and the launch of a training programme[19]		Activity not started in 2024, to be planned	    
	Offsetting CO_2 emissions from logistics and business travel		**Reduction of about 35 tCO_2-eq** through partnership agreements with carriers and airlines	
	Integration of ESG information of **80% of continuous class A and B suppliers** on the supplier document portal		The data of about **75% of the continuous** class A and B **suppliers was uploaded on the portal**	
	Conducting **10 annual audits of SA 8000 critical suppliers** and initiating improvement actions		Conducted **9 audits** and identified **28 improvement actions**, the resolution of which will be monitored in 2025	
	Relocation of at least **40 plastic moulds from Chinese to European suppliers**, with the aim of making the supply chain more local		**Transfer of 23 moulds completed**. For the remainder, an in-depth economic analysis is required before proceeding	
Customer centricity	Achievement of a **Net Promoter Score of at least 30** with an average score above 7, maintaining a significant sample of customers involved		Achieved an **NPS of 65.2 with an average score of 9.** Most of the questionnaires were submitted to customers in the USA	
	Achieving an average time of **20 days for issue resolution** in the CRM system		**Time of less than 20 days achieved in two of the three divisions** of Pietro Fiorentini S.p.A. in which the indicator is calculated	

19. In the 2023 Financial Statement, this objective was linked to 'Stakeholder engagement', which was removed as it was no longer consistent with the requirements of the ESRS standards. The other target 'Involvement of 100% of relevant stakeholder categories for the update of the double materiality' was achieved in 2024.

03 building *trust*

3.1 GOVERNANCE STRUCTURE

Material topic	Identified impacts, risks and opportunities (IROs)	Type
Sustainability governance	Increasing operational efficiency, reducing waste and optimising resources through the application of lean & agile management principles	Actual positive impact
	Failure to implement an ESG strategy integrated with business topics (e.g. setting emission reduction targets)	Risk
	Potential undermining of transparency and reduction of stakeholder trust due to a governance system not fully aligned with best practices	Risk
	Accessing ESG funding linked to the achievement of sustainability objectives	Opportunity

Pietro Fiorentini Group's governance system is built to ensure **ethical, clear and shared relationships** with key stakeholders and adequate monitoring of risks and opportunities along the value chain. Through the analysis of regulatory standards, the Group identified **best practices in the area of governance**, which revealed some opportunities for improvement such as the introduction of a Management by Objectives (MBO) mechanism linked to sustainability objectives.

The **organisational changes** initiated by Pietro Fiorentini in 2024 are moving in the direction of operational efficiency, with the ultimate aim of responding to market evolutions in an effective manner, making the most of available resources - similar to the adoption of the lean & agile approach, which has enabled strategic and operational flexibility to adapt perfectly to the changing environment it operates in.

The Group's corporate governance system is traditional: it entails the establishment of two bodies, the **Board of Directors** and the **Board of Statutory Auditors**, both appointed by the Shareholders' Meeting. The first is an ordinary and extraordinary administration body, while the second has legal and accounting control responsibilities. The BoD appoints the **Supervisory Board**[1] to monitor the effectiveness and application of the **Organisation, Management and Control Model** (OMM), adopted in accordance with **Legislative Decree. 231/2001**.

The Board of Directors consists of three executive officers and one board member, all of whom hold office permanently. Executives are also to senior managers in the organisation. There are no independent members.

1. This Body, appointed by the B.o.D. pursuant to Leg. 231/2001 takes into consideration the reports received and adopts the consequent necessary measures, always assuring the protection of the person making the report from all types of retaliation, in line with the provisions of the regulatory framework.

Composition of administration and control bodies

Board of Directors		
Name and Surname	**Assignment**	**Gender**
Cristiano Nardi	President	Male
Mario Pietro Nardi	Chief Executive Officer	Male
Paolo Aditeo Nardi	Board member	Male
Silvana Fiorentini	Board member	Female

Board of Statutory Auditors		
Name and Surname	**Assignment**	**Gender**
Fabio Maria Venegoni	President	Male
Paolo Gualtiero Targa	Statutory auditor	Male
Luisa Claudia Savio	Statutory auditor	Female
Roberto Todisco	Alternate statutory auditor	Male
Paolo Spagnol	Alternate statutory auditor	Male

Supervisory Board		
Name and Surname	**Assignment**	**Gender**
Massimo Fossati	President	Male

The above-mentioned bodies are joined by the **Sustainability Committee**, which has oversight and control responsibilities on key sustainability issues. The 4 sessions held in 2024 covered both regulatory updates and strategic developments in the industry.

During the meetings, the Committee oversaw the structure and content of the 2023 Sustainability Report, reviewed and approved the **ESG goals** on the 2024-26 time horizon, and guided the updating of the double materiality analysis for the 2024 Report. Emerging best practices on how to engage suppliers on ESG issues, gender equality and methodologies for assessing the environmental impact of products were also covered.

In terms of internal organisation, as already discussed in Chapter 1, during 2024 the Parent Company Pietro Fiorentini S.p.A. underwent a corporate reorganisation, which resulted in the division into three main **Strategic Business Units (SBUs)**: autonomous divisions, with responsibility for a particular range of products or activities, which act as independent companies and are responsible for their own profits or losses.

The **Gas & Water Solutions for Utilities** SBU develops components and services for the efficient transport and distribution of gas and water, optimising grid management. The **Oil & Gas Process Solutions and Valves SBU** offers engineered solutions to customer specifications, ensuring safety and efficiency. The **Renewable Solutions SBU** focuses on renewable gas technologies, facilitating the integration of these resources into the existing energy system.

In addition to the internal Strategic Business Units, there are two further **business areas: Software Solutions**, which is part of Terranova Group and creates customised software solutions for utilities, and **Waste Solutions**, which promotes innovative systems for waste management and resource recovery, supporting the circular economy.

The three SBUs report directly to the **Managing Director**, as do the Innovation team and other strategic staff functions (Purchasing, Quality, etc.). The others (Finance, HR, Legal, IT, HSE, etc.) report directly to the Board of Directors. The various responsibilities of the Finance function also include the activation of ESG financing to support the implementation of the sustainability strategy.

The Parent Company's staff functions also maintain a **role of coordination and support** towards the subsidiaries, in order to ensure consistency and continuity within the Group.

Pietro Fiorentini S.p.A. Organisational Chart

3.2 BUSINESS ETHICS

Material topic	Identified IROs	Type
Business ethics	Infringement of the intellectual property of third parties, or by third parties, due to the leakage of relevant confidential information	Risk
	Sanctions and risk of penalties for inadequate regulatory compliance, due to the difficulty of monitoring the Group's various businesses	Risk
Sustainability governance	Economic and reputational damage due to an external hacker attack, compromising the security of the entire corporate network and loss of confidential information	Risk

Pietro Fiorentini Group has built its governance model on **transparency, integrity and accountability**, adopting tools and procedures governing corporate compliance and risk management.

The size of the Group and its multi-business approach contribute to exposure to civil and criminal compliance risks for all subsidiaries. The 231 Model defines an organic and structured system of **guidelines, operating procedures and controls inspired by the values** of loyalty, compliance with regulations, fair competition, fairness, honesty, diligence and independence, precisely in order to reduce this risk and strengthen the internal control system.

This approach applies to any activity implemented along the value chain and concerns the Group's relations with its entire stakeholder base, protecting the interests of employees, customers and partners.

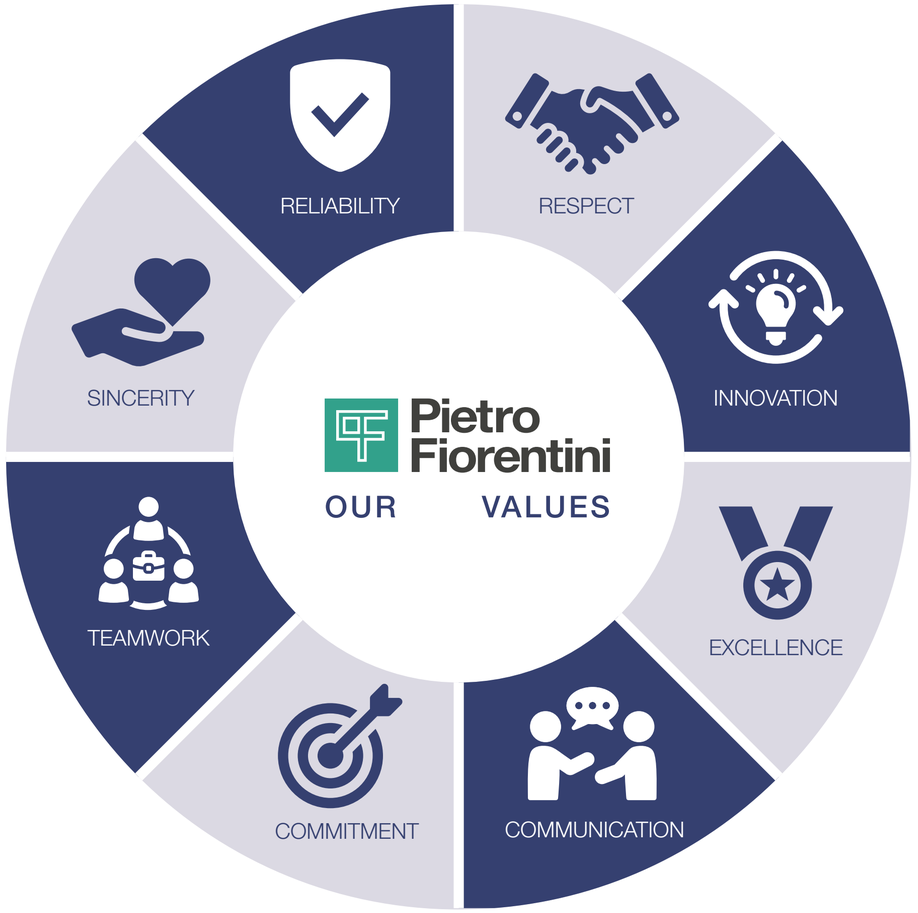
In order to ensure a structured handling of reports, a **dedicated mailbox** is available that allows anyone who becomes aware of potential irregularities to transmit information to the Supervisory Board in a traceable and confidential manner. In 2024, the Group also strengthened its **whistleblowing** system in accordance with Legislative Decree 24/2023, by activating a platform for the **comprehensive and secure management of reports** of unlawful or irregular conduct.

To **protect the whistleblower**, the company has taken specific measures to prevent retaliation, discrimination or negative consequences. The legislation protects whistleblowers who report in good faith from sanctions and dismissal, extending protections also to colleagues, facilitators and others involved in the reporting. The processing of reports was governed by **criteria of impartiality and transparency**, while handling was assigned to staff trained to ensure compliance and confidentiality. The dedicated digital platform helps to improve the accessibility and security of the reporting process.

The **fight against corruption** is regulated by the 231 Model, which defines the rules and conduct to be adopted to reduce the risk of violations. The monitoring of business activities continues in a systematic manner, with the aim of consolidating an increasingly effective control approach. **No sensitive activities for corruption risks were reported in 2024**.

To ensure that the principles of legality and transparency do not remain just theoretical guidelines, Pietro Fiorentini continues to invest in **training on anti-corruption and whistleblowing**. The refresher courses involve employees and key figures, with programmes aimed at strengthening the ability to recognise and prevent risk situations.

The company philosophy is based on two main instruments, the Charter of Values and the Code of Ethics. The **Charter of Values** summarises the principles and values that guide the Group's behaviour and decisions. The **Code of Ethics** sets out the principles of conduct to be followed by all employees, promoting a working environment based on integrity and compliance with current regulations.



The Code of Ethics also deals with **data confidentiality**. The increasing computerisation of systems exposes the Group to the growing risk of confidential information leakage, which could also affect customers. To manage this, **staff training on privacy and information security** issues, as well as constant monitoring of the IT infrastructure of all subsidiaries, is essential. In order to strengthen the defences against potential external attacks, regular vulnerability scans are conducted and back-ups are set up with the possibility of rapid restoration, while ensuring that systems are constantly updated.

In terms of social responsibility, in 2024 the company focused on the **consolidation of the SA8000 certified management system**, continuing the path of continuous improvement to protect workers. Among the activities carried out, particular attention was paid to monitoring the supply chain, with **audits of 9 critical suppliers** to verify their alignment with SA8000 requirements.

The results of these audits made it possible to identify several **areas for improvement**, especially related to health and safety aspects, and to initiate targeted corrective actions, reinforcing the level of compliance and further raising awareness of the certification principles among suppliers.

3.3 MANAGEMENT SYSTEMS

Pietro Fiorentini Group's **internal control system** is essential to ensure the transparency and efficiency of business operations. The Group's internal control system is the responsibility of the Board of Directors, which establishes and sets the guidelines and periodically ascertains their adequacy and actual functioning, ensuring that the company's main risks are identified and managed correctly.

The supervision of the Group's internal activities is also ensured by the adoption and maintenance of a number of **management system certifications**. The Group's companies that do not have a management system that is formalised in accordance with specific international standards have, however, adopted policies and procedures that are consistent with those of the Parent Company.

Product certifications play a crucial role in ensuring the quality and safety of the materials and technologies used. **Sartori Ambiente**, with its commitment to innovation and environmental responsibility, has obtained a number of important certifications including **Plastic Second Life** - which ensures the identification, traceability and recycled plastic content in the products manufactured - and **FSC**, which certifies the use of paper and cardboard from responsibly managed forests.

Environmental

UNI **ISO 14001**:2015

Environmental management system

- Pietro Fiorentini
- TIV Valves
- Sartori Ambiente
- Terranova
- FioGaz
- Yavuz Metal
- Pietro Fiorentini de Mexico

UNI **ISO 50001**:2018

Energy management system

- Pietro Fiorentini (Arcugnano site)

Social

UNI **ISO 45001**:2018

Health and safety management system

- Pietro Fiorentini
- TIV Valves
- Sartori Ambiente
- Terranova
- FioGaz
- Yavuz Metal
- Pietro Fiorentini de Mexico

SA 8000:2014

Social responsibility management system

- Pietro Fiorentini

Governance

UNI **ISO 9001**:2015

Quality management system

- Pietro Fiorentini
- TIV Valves
- Sartori Ambiente
- Hyter
- Terranova
- Gazfio
- Fiorentini Hungary
- Fiorentini UK
- Samgas Romania
- Pietro Fiorentini Iberia
- FioGaz
- Yavuz Metal
- Fiorentini Algerie
- Pietro Fiorentini (USA)
- GWC USA
- Pietro Fiorentini de Mexico
- Pietro Fiorentini India
- Pietro Fiorentini DB India

UNI **ISO 27001**:2013

Information management system

- Pietro Fiorentini
- Terranova
- Yavuz Metal

3.4 RISK AND OPPORTUNITY MANAGEMENT

Material topic	Identified IROs	Type
Sustainability governance	Contributing to the achievement of sustainability goals through the integration of ESG principles within the business model, strategy and risk analysis	Actual positive impact

The integrated system makes it possible to **identify, assess and mitigate** real and potential risks, as well as to **seize possible opportunities** in a short, medium and long-term perspective. The **internal Risk Management department**, established at Parent Company level and reporting to the Board of Directors, is tasked with incorporating risk management into the company's business.

In conducting the **double materiality** analysis, a methodological alignment between the economic-financial metrics of ERM (Enterprise Risk Management) and those used for the calculation of **financial materiality** was also carried out in 2024. The mapping for the double materiality analysis considered all those risks identified in the ERM process that were potentially applicable.

The **mitigation plans**, drawn up for the main subsidiaries, associate the most relevant risks with mitigation actions with related indicators and targets to be monitored on a quarterly basis. To carry out this activity, the Risk Management function works in collaboration with the managers and operational contacts of each Division of the Parent Company and with the **Risk Coordinators** appointed in each company involved in the process.

During the year, a **quarterly reporting process** was initiated for companies within the ERM perimeter, which further links risk management to the achievement of economic-financial targets, including their **economic evaluation**. This methodology will also be applied extensively during 2025.

The Group operates in an environment characterised by a multiplicity of risks, ranging from strategic to external, financial and operational aspects. Strategically, the main challenge is to **maintain competitiveness** in a changing market, where pressure on margins and the need to balance traditional business with the development of renewable gas solutions pose real risks. The **management of subsidiaries** and acquisition transactions require strong supervision to ensure effective integration, while compliance with regulations and **sustainability policies** is a key factor in consolidating the market position and mitigating the risk of lost growth opportunities.

At the same time, the Group faces a number of external risks related to **macroeconomic and geopolitical conditions**. Rising raw material costs, market volatility and supply difficulties affect the stability of production activities and **supply chain management**. Dependence on public incentives and policies introduces elements of uncertainty into investment planning. The changing **regulatory environment** also requires constant updating to avoid the risk of penalties or non-compliance with environmental and safety requirements.

From a financial point of view, the Group is exposed to risks related to liquidity management, interest rates and the **economic sustainability of investments**. Delays in financing sites and infrastructure can generate unexpected costs and impact profitability, while the risk of margin erosion emerges in the face of rising fixed costs and increasing competition.

Finally, on the operational side, critical issues related to production continuity, **product quality** and supply chain management emerge. Difficulties in sourcing critical materials and fluctuations in transport costs can compromise delivery schedules and consequently incur **penalties**. The need to comply with increasingly stringent regulatory standards requires strict control over **compliance and safety**. Digitalisation and technological innovation bring with them new challenges, including the risk of **cyber attacks** and the need to protect corporate data. Human resource management represents a further risk factor, with the need to **attract and retain talent** in an environment where a shortage of specialised skills can affect business performance.

The interconnectedness of these factors makes an **integrated approach to risk management** crucial, balancing financial strength, innovation and adaptability to changing market conditions.

04

building *awareness*

4.1 ENERGY CONSUMPTION

Material topic	Identified impacts, risks and opportunities (IROs)	Type
Climate change	Generation of direct Scope 1 greenhouse gas emissions related to site heating systems and corporate fleet fuels	Actual negative impact
	Generation of indirect Scope 2 greenhouse gas emissions related to electricity consumption at Group production sites and offices	Actual negative impact
	Use of fossil fuels, energy and gas from non-renewable sources for business activities	Actual negative impact

Assessing its environmental impacts and energy performance remains a priority issue for Pietro Fiorentini Group, which continues on its path of **continuous consumption efficiency** and emission reduction.

Equipped for some time now with an **Integrated Policy** that describes its commitment to sustainable development, including through the rational use of energy by its personnel and the adoption of sustainable behaviour, Pietro Fiorentini S.p.A. has worked through its Energy Management function to extend the scope of the **ISO 50001 certified energy management system** to the Rosate and Desenzano del Garda sites.

The application of the management system at the Arcugnano site led to the identification of a number of **energy efficiency measures**, including the installation of LED lights in various production departments, which resulted in 25% energy savings on lighting. In addition, it was decided to automatically switch off the coffee machines located in the offices and production areas during off-peak periods, resulting in an annual reduction of approximately 6,850 kWh of energy.

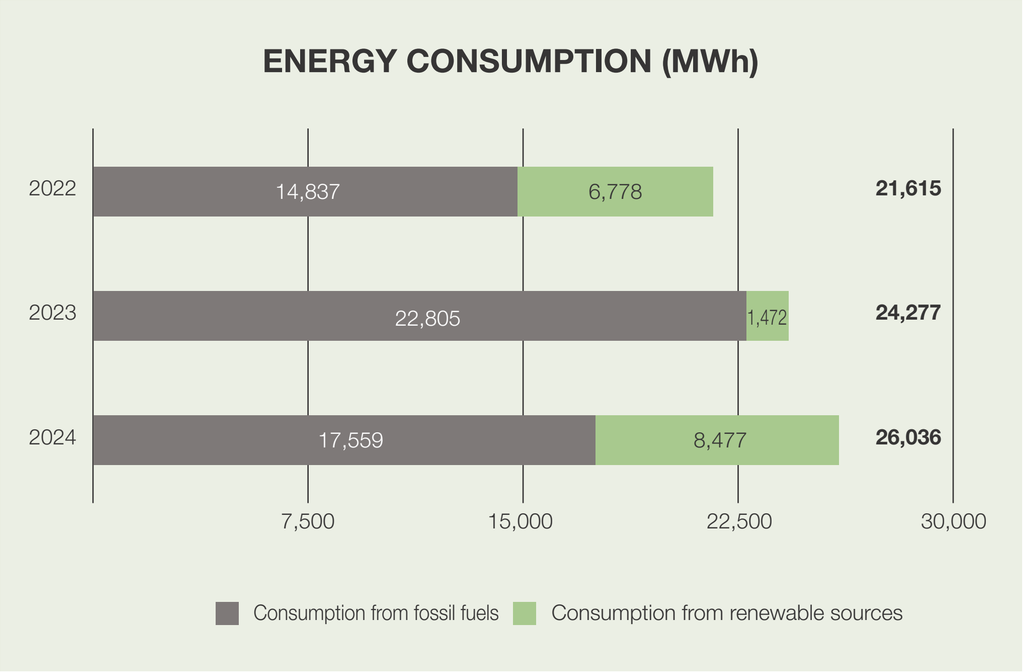
In 2024, all Italian companies (with the exception of TIV Valves), Gazfio and Fiorentini Gastechnik purchased from the grid **100% certified electricity from renewable sources with Guarantee of Origin.** In addition, at Pietro Fiorentini, TIV Valves, Sartori Ambiente and Pietro Fiorentini DB India, part of the energy was self-generated through photovoltaic systems.

The Group's energy consumption[1] totalled **26,036 MWh** and can be broken down as follows:

- **energy consumption from fossil sources[2]**, which includes fuels used for heating offices and plants, for company cars and electricity purchased without Guarantee of Origin contracts, amounting to **17,559 MWh** (a reduction of 23% compared to 2023);
- **energy consumption from renewable sources**, which includes only electricity purchased with Guarantee of Origin contracts and self-generated electricity from photovoltaic panels, amounting to **8,477 MWh** (an increase of 476% compared to 2023).

Overall, the Group's consumption is increased by 7% compared to 2023, but with the proportion of **renewable sources** continuing to grow, which stands **at 33%** for 2024, up 27% from the previous year.

The energy intensity[3], i.e. the ratio of energy consumption to total turnover of the companies in the scope, was around **55 MWh/M€** in 2024, in line with 2023.



1. Compared to 2023 Sustainability Report, the reporting scope was extended in 2024 and the year 2023 data was revised to include the companies Yavuz Metal, Fiorentini Algerie, Pietro Fiorentini de Mexico, Fiorentini Deutschland, Fiorentini Gastechnik, Fiorentini Benelux, Fiorentini Polska, Pietro Fiorentini Iberia, FastEst, Pietro Fiorentini India, Pietro Fiorentini DB India and GWC USA.
2. Data for natural gas, methane and other fossil fuels were converted to MWh using the following conversion factors: DEFRA UK – Greenhouse gas reporting: conversion factors 2024 (www.gov.uk).
3. For the calculation of energy intensity, energy and revenue values from businesses in high climate impact sectors were considered, as required by ESRS requirement E1-5, paragraph 40. For this reason, the companies of Terranova Group were excluded from the calculation.

4.2 WATER CONSUMPTION

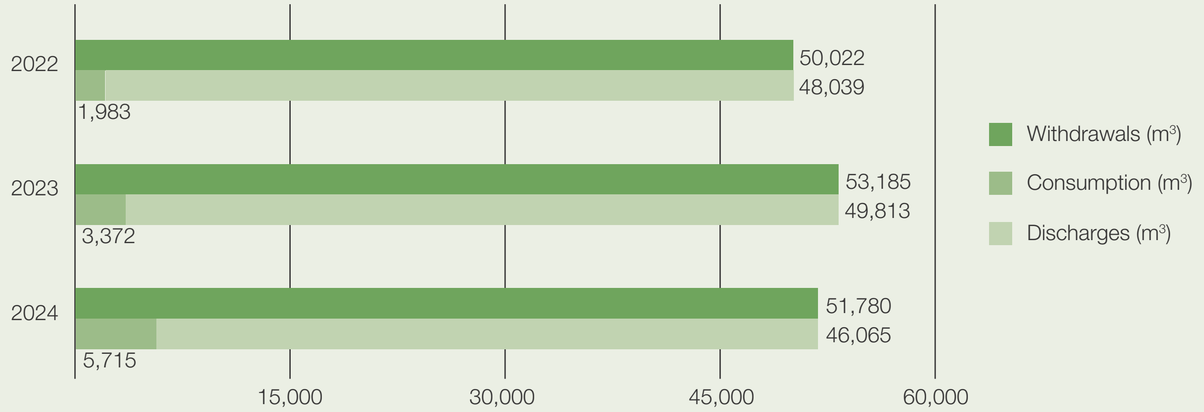
Water consumption is mainly **related to production processes** (e.g. cooling water, feeding chillers, hydraulic tightness tests). Although production activities do not have a significant impact on water resources, the Group has formalised the way it manages water within its **Integrated Policy**, committing itself to the control and improvement of its water discharges.

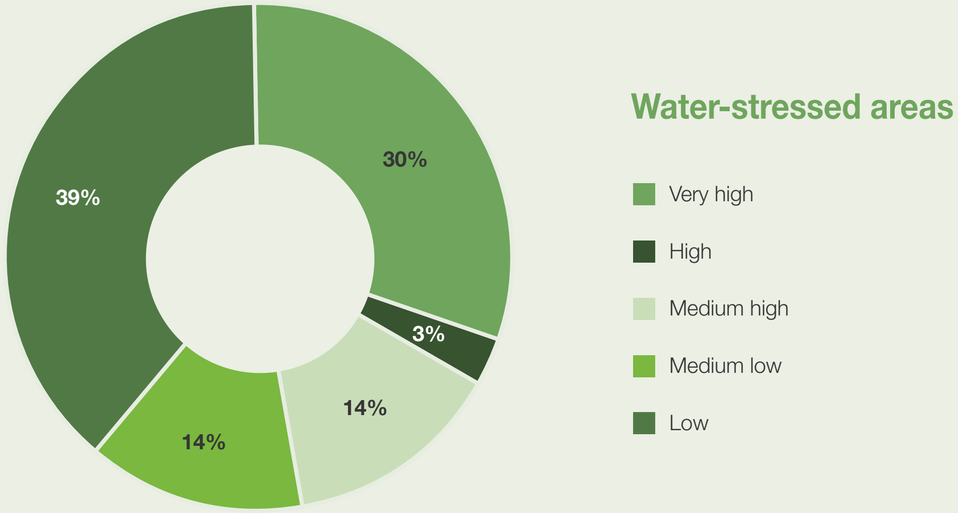
Water **withdrawals** in 2024 amounted to **51,780 m³**, 3% less than in 2023, and discharges 46,065 m³, 7% less than in 2023. Pietro Fiorentini's offices in Italy, in particular, recorded a drop in withdrawals of 7%. Water **consumption** was **5,715 m³**, an increase of 69% compared to 2023.

Also in 2024, through a dedicated tool, the Group analysed the position of the companies included in the reporting to check whether they were located in **water-stressed areas**. 53% of the companies fall within areas of medium to low water stress, while the remaining **47%** are in areas of **medium to high water stress**. Locations in Algeria, Turkey, India and California, as well as parts of Italy and Spain, present extremely high stress.

4. As with energy consumption, the 2023 figures were revised following the addition of the new companies to the 2024 scope.
5. World Resource Institute, Aqueduct – Water Risk Atlas.

WATER MANAGEMENT





4.3 MATERIALS USED

Material topic	Identified IROs	Type
Circular economy	Poorly managed procurement of raw materials, affecting the availability of virgin raw materials and the use of conflict minerals[6]	Actual negative impact
	Design of new products and end-of-life treatment consistent with circularity and ecodesign principles, also based on Life Cycle Assessment studies	Potential positive impact

During 2024, the Group perfected the process of **collecting data on raw materials and components**[7] used in production, covering about 90% of the purchase lines in the year analysed. In order to improve the transparency and sustainability of purchasing choices, actions have been planned to better verify the **percentage of recycled materials in purchased products.**

The most commonly used materials are metal and plastic, plus a wide range of other **technical materials**[8].

For metals and plastics, where possible, the Group always tries to favour recycled sources. The use of **organic[9] or renewable materials** (paper and cardboard) is closely linked to packaging.

The Group recognises the scope of the environmental impacts caused by its material procurement processes and is committed to finding solutions to mitigate them. To this end, the first **Life Cycle Assessment[10]** (LCA) pilot projects on the company's product range[11] were completed in 2024. The analyses aimed to quantify the environmental impact of products along their entire life cycle, from extraction and processing of raw materials to transport, internal processing, use and disposal.

In 2024, the Group used a total of about **26,000 tonnes of technical materials,** up by 5% compared to 2023, and 1,314 tonnes of packaging materials. The materials most used in the Group's production cycle are **steel** (54% of the total) and cast iron (7% of the total).

6. The term 'conflict minerals' refers to the minerals of 4 base metals - tin, tungsten, tantalum and gold - from conflict zones, resulting in human rights violations, labour exploitation and possible financing of armed groups.
7. When there was no precise data on weights and materials, the calculation was carried out by considering a simplification and tracing the material back to the macro-category that it belongs to.
8. Materials that can possibly be reused, as well as physically or chemically transformed after the use phase, but cannot be processed by a biological system and safely returned to the natural environment.
9. A material that can safely re-enter the natural environment once it has gone through one or more cycles of use, where it biodegrades over time.
10. Life cycle analysis is a method of quantifying the potential environmental and human health impacts associated with a good or service by considering the entire life cycle of the system under analysis (a so-called 'cradle-to-grave' approach).
11. The products that were the subject of the LCA studies are the Reflux 819 regulator and the Trunnion valve.

Tonnes of materials used (excluding packaging)	2023[12]	2024
Technical materials	**22,421**	**23,490**
Steel	14,666	14,088
Stainless steel	1,439	51
Cast iron	1,314	1,707
Zinc alloys	998	1,666
Electronic components	965	1,551
Aluminium	899	1,332
Plastic	1,099	1,058
Rubber	466	584
Chemical products	422	496
Nickel	-	434
Brass	169	291
Cement	-	284
Copper	0.3	0.3
Biological materials	**147**	**198**
Bio-plastics	147	146
Cardboard	-	52
Paper	0.4	0.5
Materials from reuse or recycling (plastic)	**2,018**	**2,320**
Total materials used	**24,602**	**26,061**

Tonnes of materials used for packaging	2023	2024
Wood	600	642
Cardboard	533	626
Plastic	40	46
Total materials used	**1,173**	**1,314**

12. In 2024, inaccuracies were found in the estimation of material weights for 2023 and were therefore revised.

4.4 WASTE VALORISATION

Material topic	Identified IROs	Type
Climate change	Possibility of incurring administrative sanctions, criminal offences against individuals and corporate sanctions for incorrect waste management, industrial discharges and atmospheric emissions	Risk
Circular economy	Marketing of products that have not been designed according to the principles of circularity and ecodesign	Actual negative impact
	Generation of hazardous waste linked to production activities and destined for disposal	Actual negative impact
	Improved market competitiveness linked to the design of new products in line with circularity and ecodesign principles	Opportunity

The Group's commitment to the circular economy can be described as ambivalent:

- the management of waste generated at the sites is carried out in accordance with local regulations and standard **ISO 14001**, for which Pietro Fiorentini, TIV Valves, Sartori Ambiente, Terranova, FioGaz, Yavuz Metal and Pietro Fiorentini de Mexico are certified;
- with regard to their products and services, on the other hand, sustainability and circularity aspects are already taken into account at the design stage (**ecodesign**); further pilot projects will be launched, also in the light of the European Ecodesign for Sustainable Products Regulation, which comes into force in 2024.

The **Integrated Policy** describes the focus on optimal waste management, favouring recycling and recovery. In addition to this, there are specific procedures defining how to apply the commitments described in the Policy, which are disseminated to the entire company population affected by the process. At most operational sites, software is used to compile the waste register and forms.

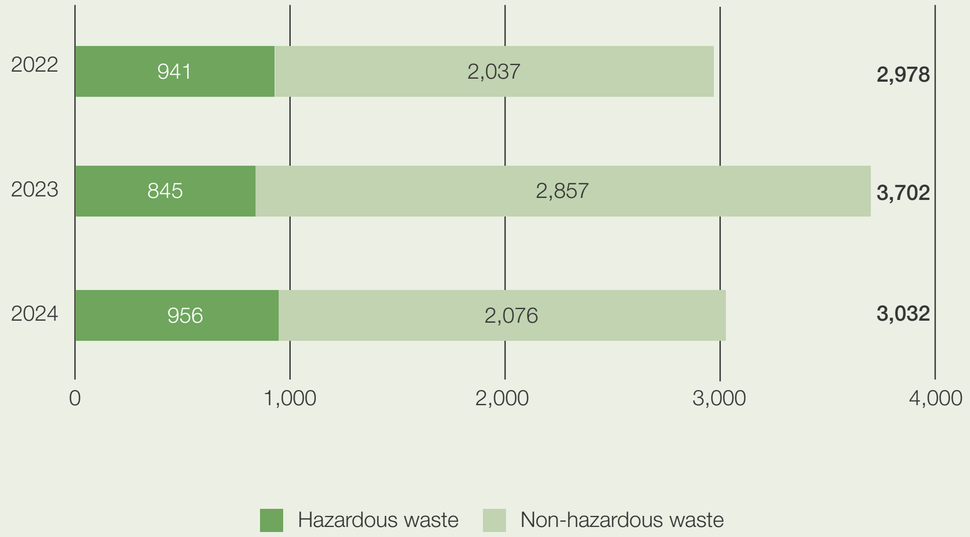
Group companies also have the task of **preventing the generation of waste**, for example by reusing packaging to extend its useful life or by preferring, where possible, to purchase recycled products that in turn have reduced waste generation.

The total amount of waste produced in 2024 was **3,032 tonnes**, a decrease of 18% compared to 2023, of which **66% went to recycling**, reuse or other recovery operations. The main types of waste generated by the Group are **metal and plastic waste** from production activities.

For all Group companies not engaged in production activities, the waste is mainly municipal waste. As discussed in Chapter 1, the circular economy also represents a business opportunity for the Group: this is evidenced by the activities of **Sartori Ambiente and DNA Ambiente**.

WASTE BY DESTINATION (t)

WASTE BY TYPE (t)



4.5 OUR CARBON FOOTPRINT

Material topic	Identified IROs	Type
Climate change	Generation of indirect Scope 3 greenhouse gas emissions related to activities along the value chain	Actual negative impact
	Loss of market competitiveness caused by failure to measure and reduce the company's carbon footprint and, in particular, Scope 3 emissions	Risk
	Changing customer needs towards solutions that favour a lower environmental impact (reduction of the carbon footprint of products)	Risk
	Potential economic losses and infrastructure damage due to extreme weather events	Risk

CO_2 emissions can be generated by a company either directly, through the use of machinery whose movement and operation requires fuel, or indirectly, by purchasing goods and services whose production has generated emissions into the atmosphere.

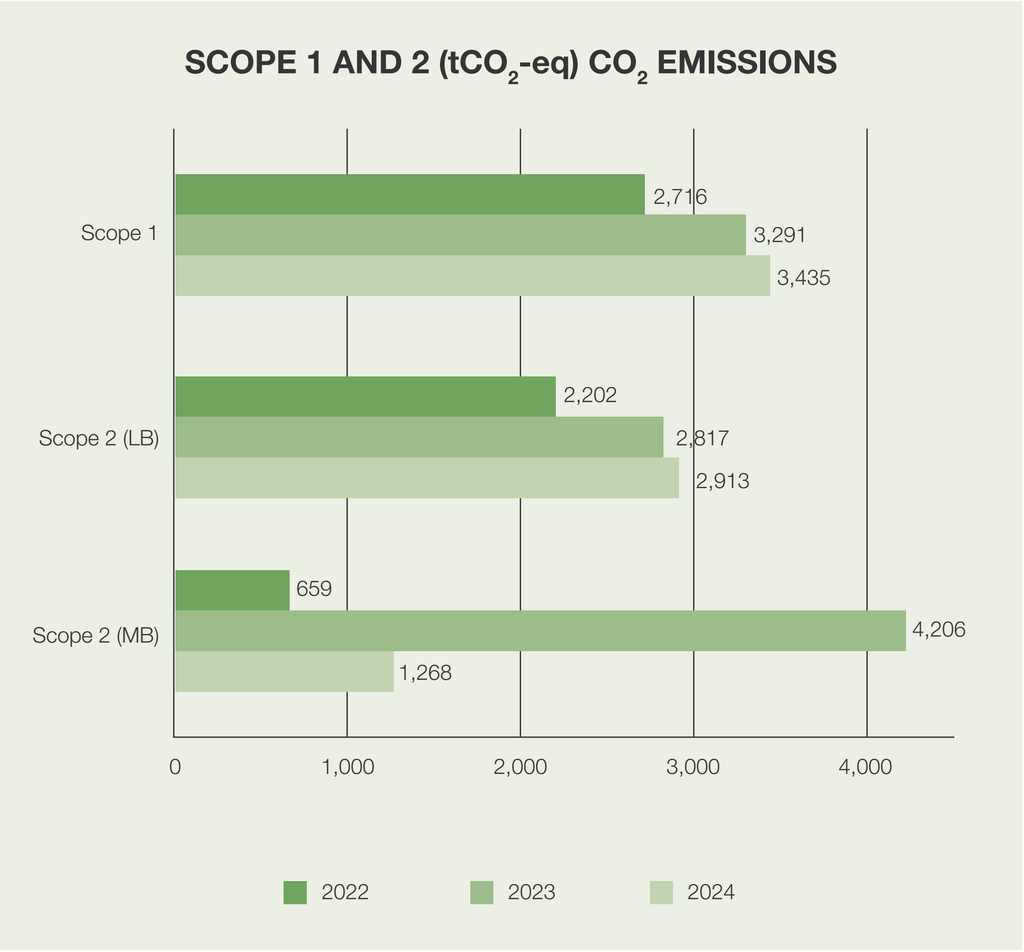
With this in mind, the Group's energy consumption directly and indirectly causes emissions into the atmosphere, which are commonly calculated with the unit of measure of **tonnes of CO_2 equivalent** (tCO_2-eq). With regard to direct emissions **Scope 1**, caused by the combustion of fuels such as diesel, petrol or natural gas, the amount emitted in 2024 was **3.435 tCO_2-eq**[13], an increase of 4% compared to 2023.

The calculation of indirect emissions from electricity consumption (**Scope 2**) was carried out according to both the 'location-based' and 'market-based' approaches.

The **location-based method** involves accounting for emissions from electricity consumption by applying national average emission factors for electricity production. According to this method, **2.913 tCO_2-eq**[14] were emitted in 2024, an increase of 3% compared to 2023.

The **market-based method** , on the other hand, requires determining the greenhouse gas emissions from electricity purchases by considering the specific emission factors reported by suppliers[15]. In this case, the 2024 emission quota corresponds to **1.268 tCO_2-eq**, a decrease of 70% compared to the previous year, determined by the signing of new Guarantee of Origin contracts.

13. As with energy consumption, Scope 1 emissions for 2023 and 2024 included the new companies added to the scope. The emission factors provided by DEFRA UK - Greenhouse gas reporting: conversion factors 2024 (www.gov.uk) were used for the calculation.
14. As with energy consumption, Scope 2 market-based and location-based emissions for 2023 and 2024 included the new companies added to the scope. The emission factors for the national and residual energy mix of each country were used for the calculation. Refer to the Appendix for a reading of these factors.
15. A zero emission factor of tCO2-eq is attributed to purchases of electricity from renewable sources. Where no specific contractual agreements have been defined, this approach requires the use of national 'residual mix' emission factors, where technically applicable.



Another large set of indirect emissions that companies can contribute to concerns all those activities that are not strictly under their own operational control, but which are unavoidably necessary for business operations (**Scope 3**). In this case, the analysis process began in 2021 with the calculation of emissions from **business travel**. In 2023, the Group extended the scope of the companies on which it calculates its indirect impacts and integrated two other very relevant categories: **purchased goods and services and waste generated in operations**. In the reporting year, the Scope 3 emissions estimate detailed four additional categories: **upstream transportation and distribution, employee commuting, downstream transportation and distribution, and end-of-life treatment of sold products.**

In 2024, the total Scope 3 emissions calculated by the Group will be **63,382 tCO_2-eq**, distributed among the different categories included in the calculation, an increase of 5% compared to 2023.

The **emission intensity**, i.e. the ratio of total direct (Scope 1) and indirect (Scope 2 market-based and Scope 3) emissions to the total turnover of the companies in the scope, was **137.8 tCO_2-eq/M€**, in 2024, down by 9% compared to 2023.

Category 1 on **purchased goods and services** was identified as the most significant, mainly due to the large quantity of metals used in production. In fact, indirect emissions related to material procurement make up **85% of the Scope 3 emissions** currently monitored. For the calculation, materials were divided according to their weight and origin, distinguishing between primary production and recycling. The Group's main production companies were included in the scope[19], which to date contribute indirectly to the emission of **53,663 tCO_2-eq**. The great-

	Emission category Scope 3	State of analysis	Adopted method
1	Purchased goods and services	Calculated from 2023	Average-data[16]
2	Capital goods	Data collected but cannot be integrated due to the chosen method	Spend-based[17]
3	Energy and fuel-related activities	Not significant	-
4	Upstream transportation and distribution	Calculated from 2024	Distance-based[18]
5	Waste generated in operations	Calculated from 2023	Average-data[16]
6	Business travels	Calculated from 2021	Distance-based[18]
7	Employee commuting	Calculated from 2024	Distance-based[18]
8	Upstream leased assets	Not significant	-
9	Downstream transportation and distribution	Calculated from 2024	Distance-based[18]
10	Processing of sold products	Not significant	-
11	Use of sold products	Data collection to start	-
12	End-of-life treatment of sold products	Calculated from 2024	Average-data[16]
13	Downstream leased assets	Not significant	-
14	Franchises	Not significant	-
15	Investments	Not significant	-

16. This method collects data on the mass of the reference goods by multiplying them by secondary emission factors, e.g. industry averages.
17. Emission estimation method in which data is collected on the economic value of purchased goods and multiplied by average emission factors.
18. With this method, the distance is multiplied by the mass or volume of the goods transported, and then by the emission factors.

est environmental impact is caused by **steel** (45%), electronic components (16%) and zinc alloys (11%), in line with the volumes of materials purchased.

Category 4 for **upstream transportation and distribution** was calculated for the first time in 2024, collecting data for the two-year period 2023-2024 for the main production companies[20]. Data were collected on the distances travelled and the mass of goods transported by the logistics services operated by Group companies. In 2024, emissions for this category were **1,965 tCO_2-eq**, 17% lower than in 2023. The most used and impactful mode of transport was found to be **road transport**, which accounts for 70% of the emissions in this category.

In order to mitigate the environmental impact of its shipments, from 2024 the Group has activated DHL's **GoGreen Plus service,** which includes the use of a quota of **Sustainable Aviation Fuel (SAF)** in the aircraft used for cargo transport. According to DHL estimates, this resulted in a **reduction in emissions of 20 tCO_2-eq**, equivalent to a 21% decrease compared to flights with standard fuel.

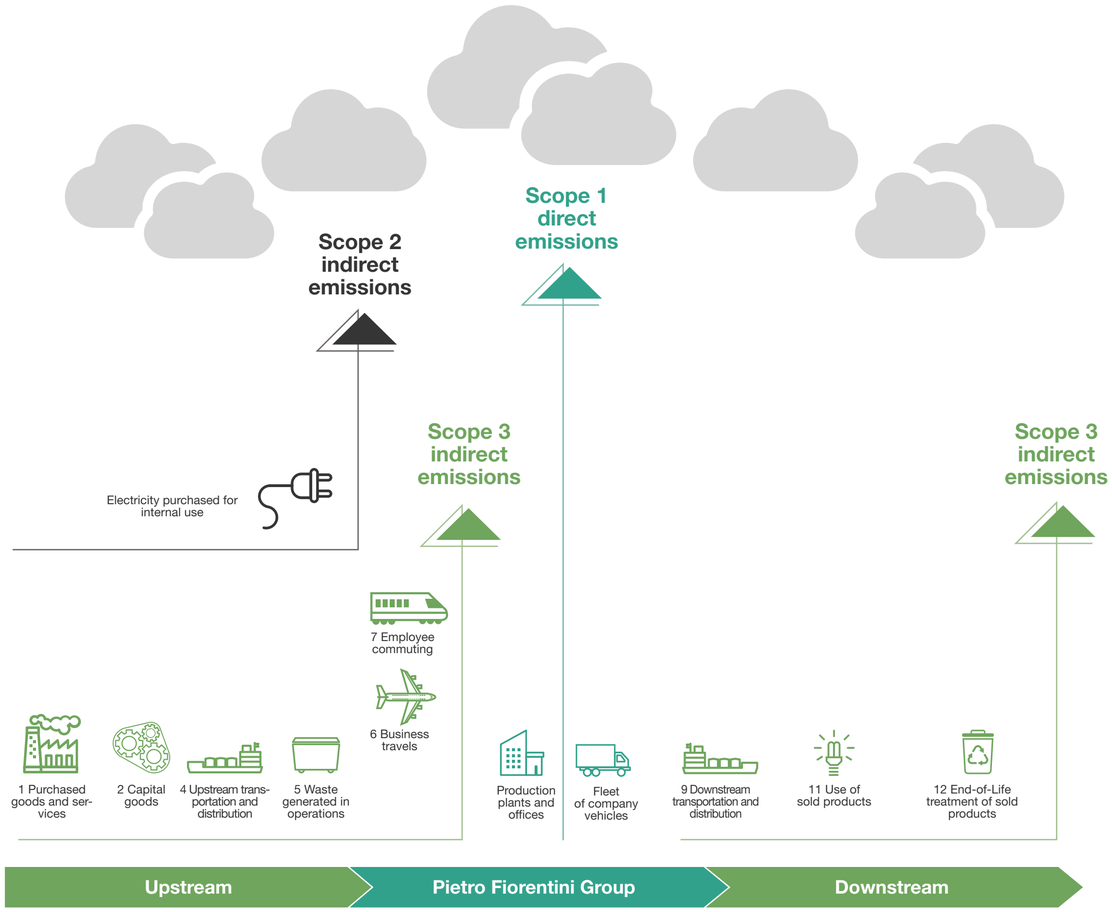
Indirect emissions related to category 5 on the treatment of **waste generated in operations** were estimated considering the waste generated by all companies included in the reporting scope. Applying an emission factor related to the type and destination of waste resulted in a value of **23 tCO_2-eq**, 83% less than in 2023, due to a more precise classification of waste. The main share comes from wood disposal, which accounts for 52% of emissions.

With regard to indirect emissions for category 6[21], relating to **business travels** made by employees of the various Group companies, the kilometres travelled per class of vehicle used - for planes and trains - were taken into account, with the addition of the type of fuel for hire cars. In 2024, **2,835 tCO_2-eq** was generated which is in line with 2023.

Similar to Category 4, since 2023 the Group has started to mitigate the environmental impact of employee **air travel with Air France, KLM and Delta**. According to airline estimates, the contribution to the SAF purchase programme resulted in **savings of about 15 tCO_2-eq**.

Category 7, which relates to **commuting**, was estimated for the first time in 2024, collecting data for the two-year period 2023-2024 and including all Group companies in the scope. Data was collected on the average days worked in a year, as well as the average daily distance travelled to company sites and the mode of travel used (by train, car, bus, bicycle or on foot). In 2024 the Group generated **1,947 tCO_2-eq**, 10% more than in 2023, mainly due to an increase in the number of workers.

The estimation process for category 9, relating to **downstream transportation and distribution**, was similar to that used for category 4, involving the Group's main production companies[22]. The main difference concerned the expenditure for transport services, which in this case was not borne by Group companies, but by the customers. In 2024, emissions associated with this category were **2,831 tCO_2-eq**, a decrease of 7% compared to 2023.

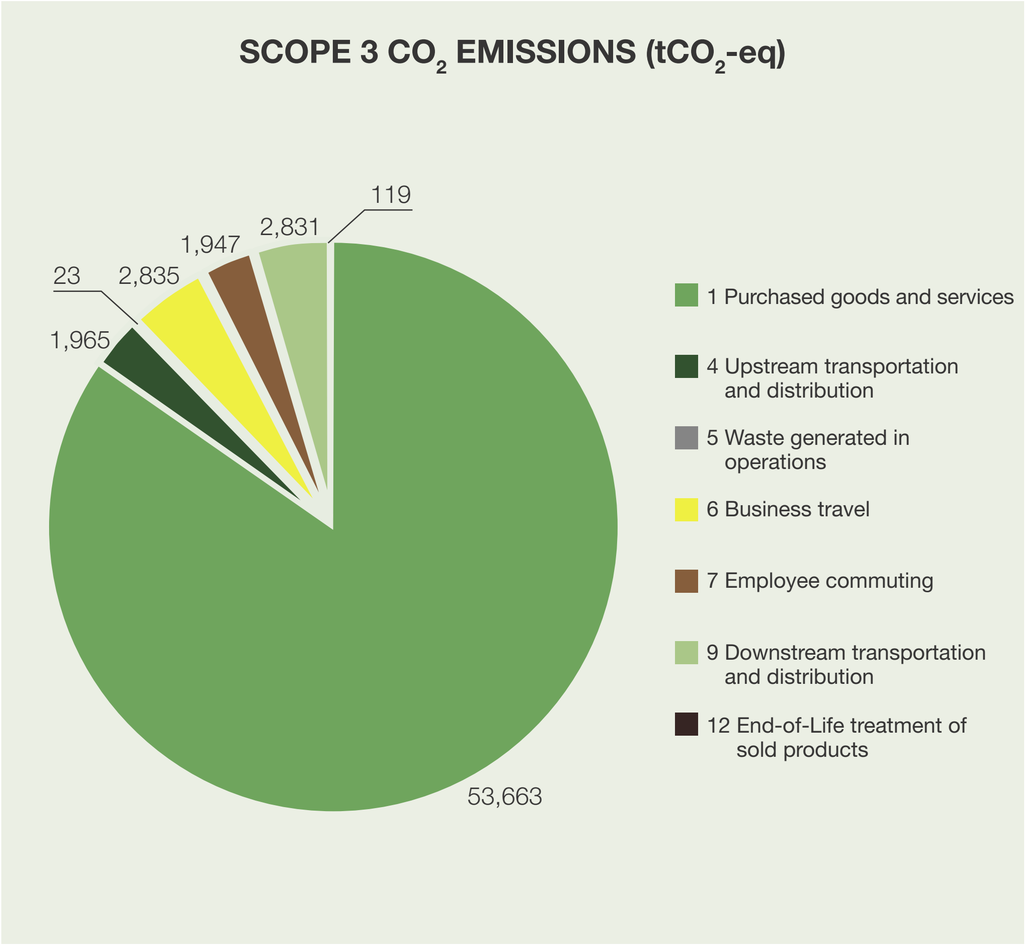


19. In the calculation of emissions for this category, the 2023 figures were revised due to the inclusion of TIV Valves, Sartori Ambiente and FioGaz in the scope.
20. The companies Pietro Fiorentini, TIV Valves, Pietro Fiorentini (USA) and FioGaz were included in the calculation of emissions for this category.
21. For this category, the 2023 figures were revised following the enlargement of the scope in 2024.

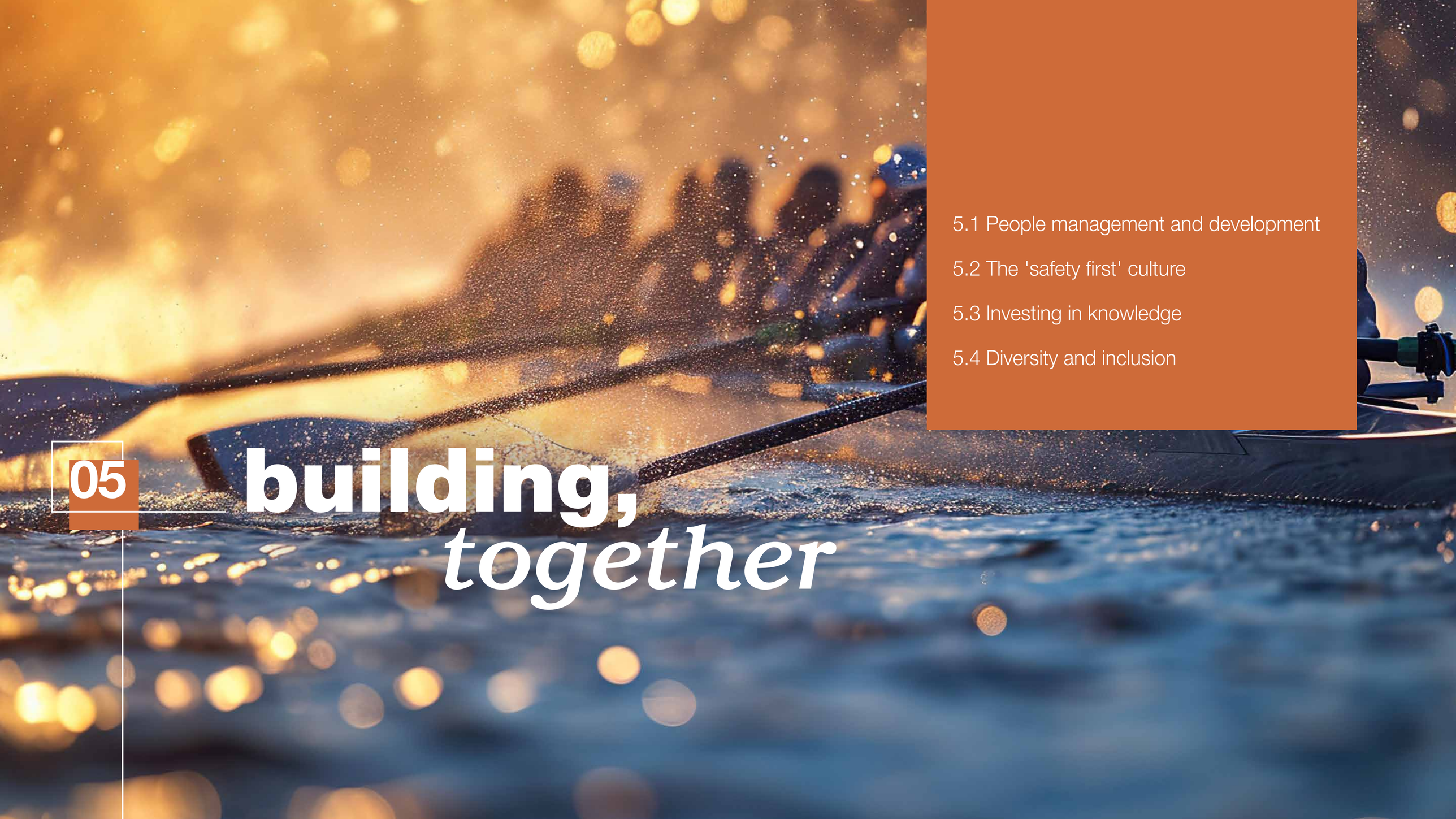
Finally, in 2024, category 12, relating to **end-of-life treatment of sold products**, was also estimated for the first time, collecting 2023-2024 data for the Group's main production companies[23]. The estimate was made by collecting the volumes of marketed products and possible end-of-life treatment methods, distinguishing between recovery and disposal. The emissions associated with this category amounted to **119 tCO_2-eq**, 57% less than in 2023, which is mainly due to a more precise calculation of some of the emission factors used.

The Group started the process of estimating category 2, relating to the **capital goods** acquired, using the spend-based method. A preliminary estimate showed the data to be very inaccurate for the two-year period 2023-2024, and for this reason it was decided to refine the calculation before including it in the reporting.

In addition to improving and extending its Scope 3 emissions estimation, the Group is actively engaged in **reducing its carbon footprint**, both at company and product level. Recognising the importance of the purchased goods category, **the first LCA** and product carbon footprint studies were launched to identify the main areas of CO_2 reduction, starting with the selection of suppliers sensitive to environmental issues and alternative materials **.**



22. In the calculation of emissions for this category, the following companies were included in the scope: Pietro Fiorentini, TIV Valves, Pietro Fiorentini (USA), FioGaz and Gazfio. The latter was not included in the estimation of category 4 due to the unavailability of data.
23. In the calculation of emissions for this category, the companies Pietro Fiorentini, TIV Valves, Sartori Ambiente, Pietro Fiorentini (USA) and FioGaz were included in the scope.



05

building, *together*

5.1 PEOPLE MANAGEMENT AND DEVELOPMENT

Material topic	Identified impacts, risks and opportunities (IROs)	Type
People's well-being and development	Worsening business climate due to negative market trends	Actual negative impact
	Talent enhancement through the development of customised growth paths	Actual positive impact

Pietro Fiorentini Group sees people as the cornerstone of a long-term development strategy. For this reason, it aims at maintaining a stimulating and proactive organisational climate, also through the enhancement of skills and competences. This, together with the adoption of a supportive leadership style based on collaboration and constant training are the pillars on which the Group's **People Strategy** is built.

To cope with the complexity that characterises the current environment, the Group is experimenting with an organisational model that combines the traditional hierarchical structure with inter-functional teams dedicated to specific projects. In 2024, this way of working was used to a significant extent in the **Innovation Team**, in which project teams were set up consisting of contact persons from the development department and the technical departments of the various areas.

76%

Employees involved in at least 1 kaizen event/ week[1]

13

Active agile teams in 2024

In parallel, experimentation with **agile mode** to improve the effectiveness of new product development projects continues.

Internationally, the Group has a total of **2,855**[2] **employees**, of which 82% are **employees (2,351)** and the remainder **external collaborators (504)**. With regard to the contractual nature of the Group's employee hires, in continuity with 2023, **full-time** was the most commonly used mode (96%); **part-time** (4%) also remained stable, continuing to be an option for employees as needed.

1. 'Kaizen' is a Japanese term referring to the set of activities aimed at continuous improvement. At the moment, employees of Pietro Fiorentini, TIV Valves and Gazfio are involved, but it is planned to be applied to other Group companies.
2. The figure includes the employees of the Group companies within the scope of the Sustainability Report, the subsidiaries of Terranova Group and the external employees of the reporting companies.

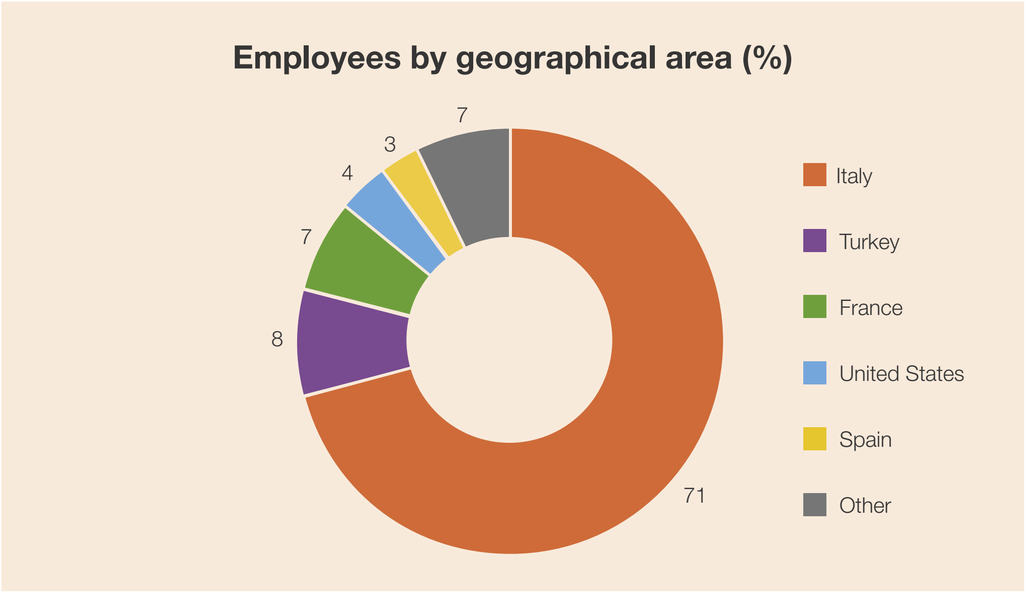
Employees by gender and professional category (no.)						
	2023[3]			2024		
Position	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	48	3	51	50	4	54
Managers	101	24	125	107	17	124
Office workers	803	380	1,183	880	434	1,314
Production workers	628	147	775	706	153	859
TOTAL	**1,580**	**554**	**2,134**	**1,743**	**608**	**2,351**

100% of the employees of the Group companies in the reporting scope are **covered by social security**, while the percentage is 95% for non-employees.

The Group strongly believes in the transparency of working conditions and in dialogue with trade unions to protect its employees, signing **collective bargaining agreements**[4] in all countries where they are widespread and meeting periodically with the relevant trade union organisations.

Overall, including in the reporting scope non-European companies that do not adopt collective bargaining agreements, **81% of employees** and 72% of non-employees are **covered by these agreements**.

Geographically, **71%** of the employees within the reporting scope work in **Italian companies**[5], while the remaining 29% are distributed among the European Union, the United Kingdom, the United States, Mexico, Turkey, Algeria and India[6].



3. The figures for 2023 have been revised to include all new companies in the reporting scope, with the exception of the subsidiaries of Terranova Group.
4. Collective bargaining agreements are in place in Italy (for Pietro Fiorentini, TIV Valves, Sartori Ambiente, Terranova, Biokomp and Hyter), France (Gazfio), Spain (Cryo Inox and Pietro Fiorentini Iberia), Austria (Fiorentini Gastechnik) and the Netherlands (Fiorentini Benelux). In other countries, however, the respective companies did not enter into these types of agreements.
5. This includes employees of Pietro Fiorentini, TIV Valves, Sartori Ambiente, Biokomp, Hyter and Terranova Group.
6. This includes employees of the companies Gazfio, Samgas Romania, FastEst, Cryo Inox, Pietro Fiorentini Iberia, MicroPyros BioEnerTec, Fiorentini Deutschland, Fiorentini Gastechnik, Fiorentini Benelux, Fiorentini Polska, Fiorentini Hungary, Fiorentini UK, Pietro Fiorentini (USA), GWC USA, Pietro Fiorentini de Mexico, FioGaz, Yavuz Metal, Fiorentini Algerie, Pietro Fiorentini India and Pietro Fiorentini DB India.

98% **Permanent employees**

The age group[7] most represented in the Group **is the 30-50 age group**, which accounts for **56%** of the total, up slightly (2%) from 2023. In 2024, the number of young people **under 30 years of age** decreased from 22% of the total labour force in 2023 to **20%** in the reporting year.

In 2024, a total of **435 new hires**[8] took place, a slight increase compared to 2023, of which approximately 64% concerned the companies Pietro Fiorentini, Terranova, Gazfio and Yavuz Metal. On the other hand, there were **305** terminations, which were constant compared to 2023. The **turnover** rate has decreased significantly: in 2024 it stands at **13%** - compared to 21% the previous year - suggesting an improvement in job stability.

A **culture of continuous improvement** is essential to ensuring sound career paths for employees, through professional development and training activities. To strengthen employee development, Pietro Fiorentini S.p.A. launched an **internal mobility** programme as of 2024. Thanks to this initiative, all employees have the opportunity to apply for open positions within the company and participate in the selection process in parallel with external candidates, allowing internal skills and aspirations to be put to the best possible use, as well as fostering motivation.

With a view to ensuring the well-being of its employees, the Group adopts various initiatives aimed at **improving the quality of the work environment**.

Corporate development cannot be separated from ensuring that every employee has the peace of mind of working in a place that respects people, diversity and work-life balance.

To monitor the level of professional and personal satisfaction of employees, the Group conducts regular **climate analyses**. The survey scheduled for 2024 was postponed due to internal reorganisation and will be rescheduled once the new organisational structure is consolidated.

As provided for in the National Collective Labour Contract, employees have the option of using **Metasalute**, the supplementary fund offering health benefits. The company guarantees enrolment in the basic plan, which covers various benefits such as dentistry, specialist examinations, physiotherapy and reimbursement for the purchase of lenses and eye glasses. **Benefits** may be provided either directly at contracted facilities or indirectly through ex post reimbursement claims.

Employees also have at their disposal the **Corporate Benefits portal**, which offers discounts and promotions in various areas, including technology, food, beauty and travel.

Also in 2024, Pietro Fiorentini provided a **bonus worth €200** in the form of a welfare credit for each new born or adopted child, which benefited **24 new parents**. Employees and workers regardless of their seniority had access to this bonus.

7. Age group data include all companies in the current reporting scope excluding the subsidiaries of Terranova Group.
8. Turnover figures include all companies in the current reporting scope excluding the subsidiaries of Terranova Group.

5.2 THE 'SAFETY FIRST' CULTURE

Material topic	Identified IROs	Type
Health and safety	Dissemination of a 'safety first' culture through employee training and participation in initiatives complementary to ISO 45001	Actual positive impact
	Accidents with serious consequences on employees	Potential negative impact
	Possibility of incurring administrative sanctions, extra costs and accidents due to lack of substantial safety and formal conformity of work equipment	Risk
Sustainable supply chain	Accidents with serious consequences occurring to external non-employee personnel (e.g. contractors' personnel working on company sites)	Potential negative impact
	Accidents with serious consequences occurring to external non-employee personnel	Risk

Protecting the health and safety of people is always at the forefront for Pietro Fiorentini Group. In accordance with Lgs. D. 81/08 as amended, as well as the main national regulations on health and safety in the workplace, constant **risk analysis and assessment** is guaranteed, together with careful monitoring of all company activities and processes and continuous implementation of improvement activities.

To further strengthen the protection of both internal and external employees, there is a management system that comprehensively regulates occupational health and safety aspects. **76%** of the Group's workforce operates at **sites covered by a certified management system**, as Pietro Fiorentini, TIV Valves, Sartori Ambiente, Terranova, FioGaz, Yavuz Metal and Pietro Fiorentini de Mexico adhere to the guidelines of the **ISO 45001** standard. In particular, the coverage **in Italian companies is 95%**[9]. In accordance with this standard, the Group has an **occupational health and safety policy** integrated with its other management systems in the areas of quality, environment, information security, energy and corporate social responsibility.

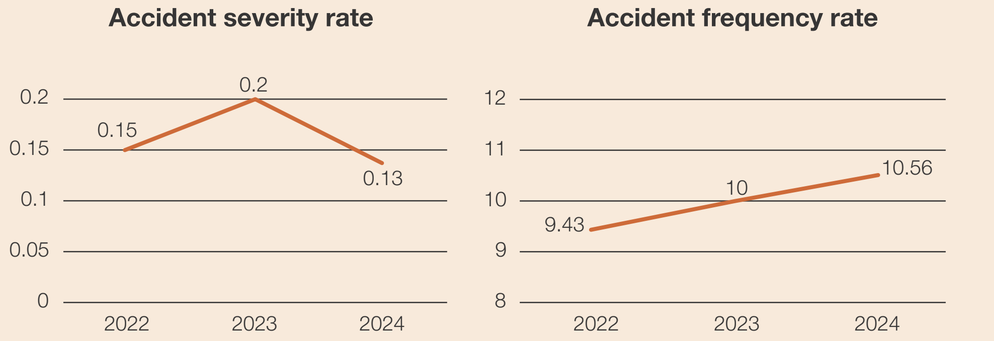
9. The Italian companies that do not have a management system are Biokomp, Hyter and the subsidiaries of Terranova Group.

The **HSE** (Health, Safety and Environment) department, through dedicated teams for each production site, is responsible for coordinating specific activities. At Pietro Fiorentini S.p.A., there is a single **PPSM** (Prevention and Protection Service Manager), assisted by **PPSOs** (Prevention and Protection Service Officers) **at each site**. The activities carried out by this department include the proposal and monitoring of **corrective actions**, determined following the identification of risks, **event reports** - near misses, first aid and concerns -, internal and third-party audits.

The management of issues pertaining to health and safety also finds concrete expression in **health control and surveillance interventions**.

During 2024, there were **39 accidents**, 5 more than in 2023, involving employees of the various Group companies; 92% of the accidents occurred at the workplace and **one had serious consequences**. With regard to **external personnel**, the number of accidents was **17**, 13 at the workplace and 4 during work commutes.

Employee accidents in the workplace (n°)						
	2023[10]			2024		
	Men	Women	Total	Men	Women	Total
Number of accidents	**32**	**2**	**34**	**34**	**5**	**39**
Accidents in the workplace	29	1	**30**	32	4	**36**
Of which with serious consequences	-	-	**-**	1	-	**1**
Accidents during work commutes[11]	3	1	**4**	2	1	**3**
Days lost following an accident	681	15	**696**	413	64	**477**



Severity rate = no. days lost due to accidents x 1,000 / no. hours worked

Frequency rate = no. accidents x 1,000,000 / no. hours worked

10. The figures for 2023 have been revised to include all new companies in the reporting scope, with the exception of the subsidiaries of Terranova Group.
11. An accident during a work commute is defined as an accident occurring during the worker's journey from home to work or during the journey between two workplaces.

In order to update the Engineering & Operations division's equipment inventory, a team was set up in 2024 to work on **machine safety** and to improve the management of certain HSE issues.

The Gas & Water Solutions for Utilities SBU also started the **One HSE project**, which aims to define standard guidelines for certain HSE processes that can be applied across the board.

As far as access to the sites is concerned, the **supplier portal** has been accessible from the homepage since January 2024 with the aim of improving the checks done on safety requisites for external persons. The system ensures that contractors can independently upload the necessary documents for access to the Group's sites.

In the context of company activities, there are potential hazards that can cause occupational diseases, including the manual movement of loads and the repetition of certain movements. As in previous years, **no cases of occupational disease were found** in any of the Group companies in 2024. The activities of the team dedicated to investigating aspects of **repetitive movements** continued, in order to identify and implement improvements in production processes.

5.3 INVESTING IN KNOWLEDGE

Material topic	Identified IROs	Type
People's well-being and development	Improvement of workers' skills and dissemination of company know-how to external stakeholders through the provision of training programmes with universities and research centres	Actual positive impact
	Improvement of workers' hard and soft skills through training programmes, resulting in enhanced company know-how and market competitiveness	Opportunity

In an ever-changing environment, preparing personnel is the key to successfully tackling any future challenges. For this reason, **the Group considers continuous training a strategic investment**, which not only improves professional skills but also stimulates the individual growth of each employee. Ensuring constant updates makes it possible to maintain a high level of competitiveness and to respond in an agile manner to the needs of the sector.

Thanks to a system of **periodic performance assessments**, based on the verification of the progress of projects, the Group is able to map results and competences acquired, so as to guarantee and incentivise the professional development of employees in a meritocratic perspective. In 2024, **the performance of 1,773 employees was evaluated, a** 28% increase over the previous year. For some managers, a **Management by Objectives (MbO)** system is in place to support long-term value creation.

In 2024, the **PF People** management system, implemented in 2023 at Pietro Fiorentini, was extended to the French company Gazfio. It is a tool to support every manager in the management of his or her employees, which allows them to map out actions for skills development and performance evaluation.

A total of **82,823**[12] **training hours** were provided in 2024, with an average of **36 per employee**; compared to 2023, there was a 30% increase in training hours per capita. The main training topics covered were technical and personal development. Top management also received training on governance issues.

12. The data on training hours include all companies in the current reporting scope excluding the subsidiaries of Terranova Group.

In 2024, Pietro Fiorentini continued to structure and consolidate the **PF Corporate University** training offering, with the addition of an advanced module of the **quality academy**, with a specific focus on customer-centricity and customer satisfaction.

In 2024, the Group launched the **technical academy**, a course aimed at enhancing knowledge and technical skills related to the range of solutions, both in the development phase and post-marketing. Thanks to the synergy with the quality academy, the transversal and specialised modules make it possible to create **highly customised training courses** based on the needs and inclinations of the technical figures working at Pietro Fiorentini.

In addition, following the analysis of the training needs of the various company areas and the experience gained over more than 20 years on the principles of lean management, the **lean academy** course was restructured: this resulted in onboarding training for all new colleagues and a series of targeted modules - fundamentals, problem solving, development and management - with different levels of exploration.

Concerning soft skills, following the dissemination of the corporate purpose, the course on sustainability issues was updated. In addition, training on **climate change**, **renewable energy sources** representing new business opportunities for the Group - biogas, biomethane and hydrogen - and **artificial intelligence** were made available at the end of 2024.

Consistent with the international dimension of the Group, in 2024 the **training content** developed in Italy started to be **disseminated to foreign sites**. The first course translated into English and French was on **information security**, given the relevance of the topic for all Group companies.

Concerning soft skills, the **Viva Team Leader** project, applied at the Arcugnano and Rosate sites, was concluded in 2024. It focused on the training of line team leaders in order to better manage the well-being and development of employees in production.

+28% evaluation of employee performance

36 Average training hours provided to each employee

C – Lean Energy Academy

December 2024 saw the conclusion of the **third and final edition** of the C-Lean Energy Academy, the training programme designed by Pietro Fiorentini in collaboration with **POLIMI Graduate School of Management**. The students, including some company employees, successfully completed the course, which included lessons on energy transition, sustainability, renewable gases and lean & agile management.

The programme also included a practical part with **visits to the** Arcugnano - including the Hydrogen Lab - Rosate and Hyter (Desenzano del Garda) **sites**, where the students were allowed to observe the chemical laboratory and the construction of generators. Participants also tried their hand at some simulations of **agile project management** according to the Scrum framework.

The academy concluded with a one-and-a-half-day **hackathon**, aimed at bringing together what was learnt during the course with the students' prior knowledge. The **power-to-methane and biomethane projects** were presented to a jury of POLIMI GSoM professors and Group representatives.

Graduation awards in memory of Matteo Cazzola

The Group wished to pay tribute to Matteo Cazzola, a brilliant manager who died at the age of 35 as the result of a tragic accident, by instituting the '**Energy of the future, sustainable solutions**' degree award in his honour.

The initiative, promoted by the Association of Friends of the **University of Padua** and the Alumni of the University of Padua, is dedicated to undergraduates and master graduates whose thesis projects develop innovative solutions for the green transition, decarbonisation and the use of hydrogen as an energy vector. 2024 was the first edition, included in the schedule of the 8th Festival for Sustainable Development: **Leonardo Faggian** was awarded the prize thanks to his thesis on 'Biotechnological approaches to advance organic waste-to-energy: Anaerobic Digestion of end-of-life bioplastics and selection of superior H2-producing microbes".

The prize has been renewed for a **second edition in Padua**, for three theses in Italian and English, and in 2025 will be extended to the University of **Brescia**, the Polytechnic University of **Milan** and the Polytechnic University of **Turin**.

5.4 DIVERSITY AND INCLUSION

Material topic	Identified IROs	Type
Diversity & Inclusion	Promoting an inclusive working environment that respects diversity, ensuring maximum fairness in remuneration policies and valuing the different social and cultural backgrounds of employees	Potential positive impact
	Perception by external stakeholders of reduced dissemination within the Group of the principles of diversity and inclusion in personnel selection and development processes	Risk

Valuing diversity means recognising and appreciating everyone's individual differences, including cultural backgrounds, experience, skills, views and personal characteristics. It means creating an **inclusive and respectful environment** that celebrates diversity as a source of enrichment and competitive advantage for the company. A concept that ties in with that of **cross-fertilisation**: thanks to the exchange of information, knowledge, suggestions and advice, it is possible to increase the cultural and intellectual wealth of the individual companies and, consequently, of the entire Group.

Despite the predominance of men, typical of the manufacturing and industrial sector, **female office workers increased by 11%** in 2024 compared to 2023, in parallel with a 3% increase in male office workers. Overall, the percentage of **female employees** within the Group's workforce is **26%**[13], a constant figure since 2023.

The issue of inclusion remains central at Group level, where an **approach free of any kind of discrimination** is promoted and impartiality is guaranteed in personnel selection processes as well as in the work environment, as stated in the Code of Ethics.

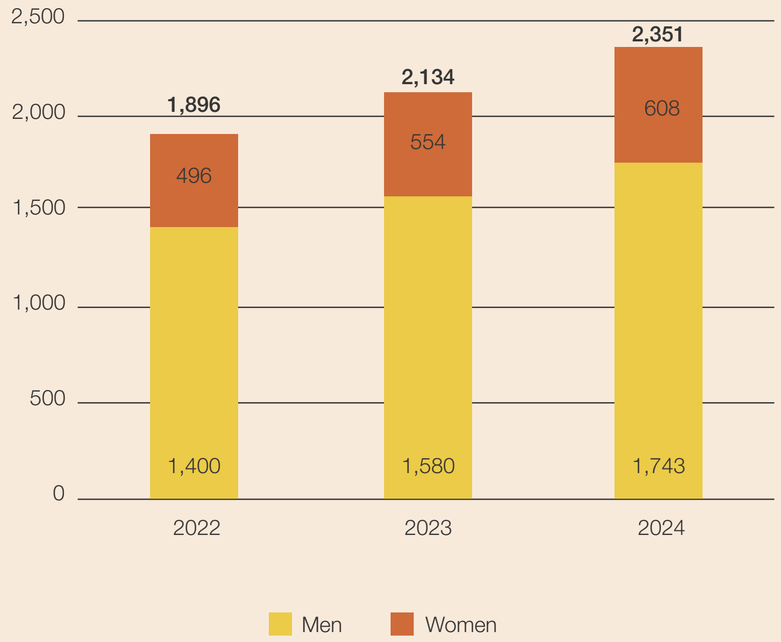
In 2024 **89 employees protected by Law 68/99** were hired, representing 4% of the total workforce.

Operating in an international context, the Group wanted to collect data on the nationality of its employees for the first time in 2024, counting as many as **48 different nationalities**.

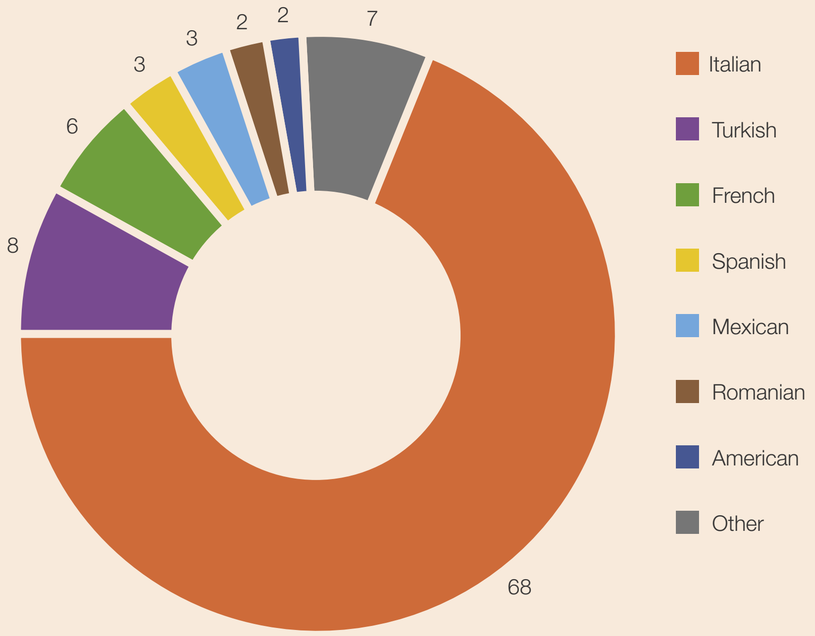
The Group is committed to ensuring fairness even at one of the most important moments of a person's life, such as the birth of a child. In 2024, **97%**[14] of the Group's employees were entitled to **parental leave**[15], which was taken by 149 men and 98 women, more than twice as many as in 2023.

13. Data on number and percentage of employees by gender include all companies in the reporting scope and the subsidiaries of Terranova Group.
14. The percentage is lower than 100% due to the regulatory environment in some countries where the Group operates.
15. Parental leave is the leave that both parents may request from the company following the birth of a child (maternity and paternity). Subsidiaries of Terranova Group are excluded from the parental leave calculation.

Employees by gender (no.)



Employees by nationality (%)



06

building *connections*

6.1 DISTRIBUTING VALUE TO STAKEHOLDERS

Material topic	Identified impacts, risks and opportunities (IROs)	Type
Energy transition	Developing solutions to support energy transition and grid digitisation, including through M&A and external partnerships	Actual positive impact
	Increased turnover from green gas and grid digitisation businesses, also with a view to attracting more funding (e.g. improvement of taxonomy KPIs)	Opportunity
	Slowdown in the development of some businesses, such as biomethane, which are highly dependent on the provision of public incentives	Risk
Circular economy	Developing solutions to support the green transition in waste management	Actual positive impact
	Increased turnover from waste management businesses, also with a view to attracting more funding	Opportunity
Water resource	Development of solutions to support the green transition in water and grid digitisation, including through M&A and external partnerships	Actual positive impact
	Increased turnover from water and grid digitisation businesses, also with a view to attracting more funding	Opportunity

Creating long-term value also means developing **strong and lasting relationships with one's stakeholders**. Every day, Pietro Fiorentini Group deploys targeted engagement initiatives for the different categories of stakeholders who have given their input on the Group's strategic priorities in 2024. During the **double materiality analysis** process, as described in Chapter 2, important feedback was gathered from customers, suppliers and other stakeholders, which influenced the results of the analysis and the definition of the double materiality matrix.

Among the feedback from various stakeholder categories was the request to **develop green solutions and promote the decarbonisation of the supply chain**. To meet this need, the Group has long since embarked on an investment plan that aims to reduce its own emissions and those of its customers, through a **multi-business approach** that encompasses the energy, water and circular economy sectors and has the digitisation of grids as its common denominator.

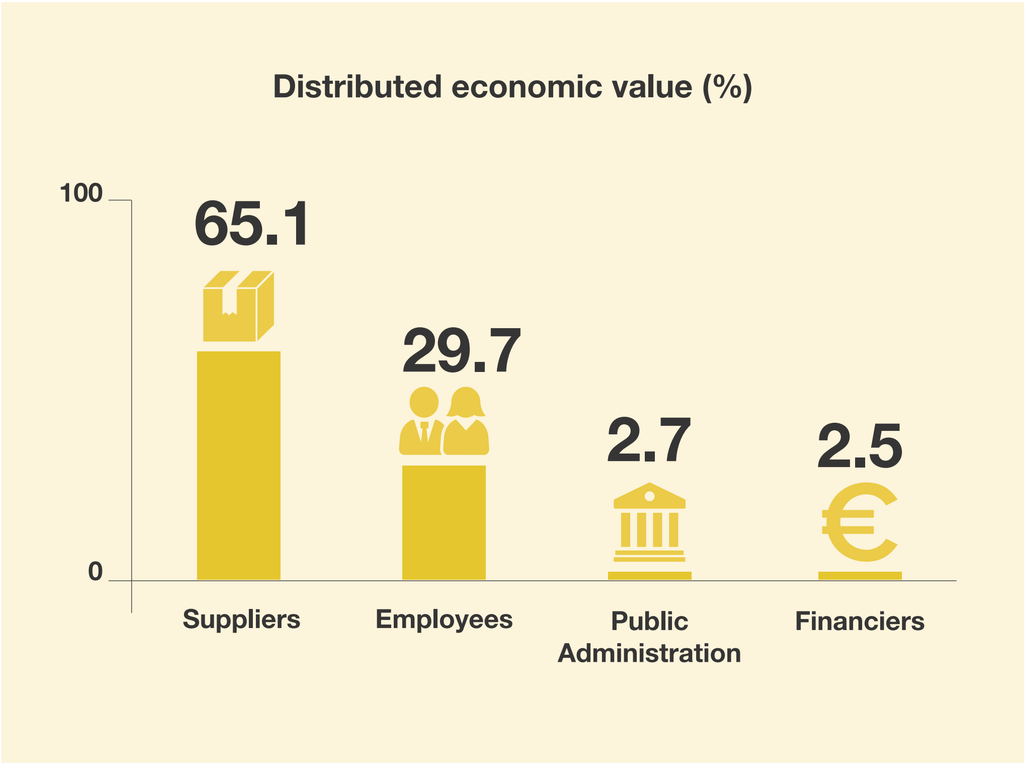
For green gas businesses, such as biomethane and hydrogen, the success of development initiatives is strongly influenced by obtaining public incentives, which are crucial to stimulating investment and making these **solutions economically viable.**

The Group's objective in the medium term is to **gradually increase the share of turnover from new business**, including through the acquisition of high-potential companies and the creation of partnerships with other players in the same sectors.

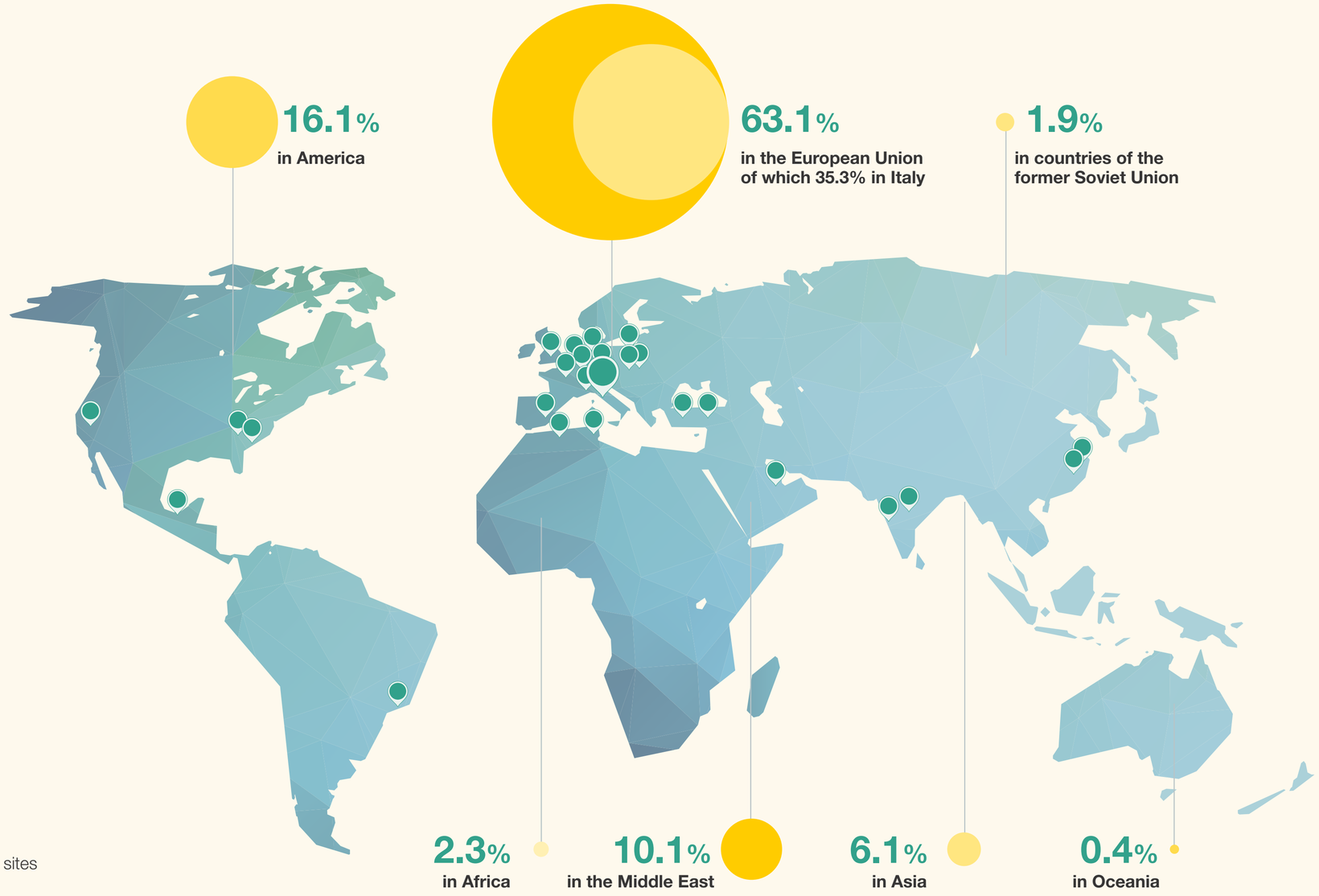
Thanks to its geographical reach, the Group is able to branch out in its commitment to **contributing to the economic and social development** of the countries that it operates in. Through responsible investment, local job creation and partnerships with communities and institutions, **value generation extends beyond corporate borders**, fuelling a virtuous circle of prosperity and development in the regions. In fact, of the total of **€ 551.2 million generated**, 9% was retained and the remainder distributed to its suppliers, employees, financiers and public administration, amounting to **€ 501.6 million.**

The most significant share of turnover came from Pietro Fiorentini S.p.A. with 36.5% of the total, followed by the subsidiary Gazfio (11.3%) and Terranova Group (9.8%).

The highest share of turnover was **within the European Union**, with about 63% (of which 35% was achieved in Italy), followed by North and South America (16%).



Geographical distribution of Pietro Fiorentini Group turnover



6.2 CUSTOMER CENTRICITY AND SATISFACTION

Material topic	Identified IROs	Type
Customer centricity	Customer dissatisfaction related to the development of products not in line with expectations and quality-related issues of marketed products	Actual negative impact
	Continuous innovation of products and services in order to improve their quality and meet customer needs	Potential positive impact
	Negative impacts on the health and safety of customers caused by the malfunctioning of sold products	Potential negative impact
	Economic and reputational damage for possible non-conformity of products sold, due to the lack of integrated management of quality issues within the Group	Risk
	Development of technologically advanced solutions in green gas, water, waste management and grid digitisation businesses	Opportunity
	Lack of implementation of a sustainability strategy at company and product level, also based on customer expectations and demands (e.g. carbon footprint calculation, product LCA, etc.)	Risk

Pietro Fiorentini Group is an international player offering its solutions in **more than 100 countries**. This extensive global presence testifies to the strategic importance and confidence the market has in the Group.

Putting the customer at the centre is an integral part of Pietro Fiorentini's corporate culture and is embodied first and foremost in the **focus on product quality** and process optimisation, but it is a value that is also inextricably linked to all the other aspects that make up the relationship, such as technical support and maintenance services - not forgetting the ability to respond to market demands with challenging timelines.

The adoption of **lean & agile management** has helped strengthen this *modus operandi*. The elimination of all possible waste - one of the **lean** fundamentals - aims, in fact, at optimising internal processes as much as possible, so as to focus attention on activities that are really able to generate added value for the end customer. Similarly, the flexibility inherent in **agile** thinking allows the Group to adapt quickly to the changing conditions of the increasingly competitive environment.

Listening to and interpreting customers' needs requires constant effort and care in order to propose innovative, safe and regulatory compliant solutions. As described in the previous chapters, the Group is improving the process of estimating the **company's carbon footprint**, in order to be able to provide increasingly reliable data to its customers, and at the same time it is investigating the measurement of the **product carbon footprint**, in order to be able to track the emissions of its solutions throughout the entire life cycle.

Customer care is also ensured by integrating the concept of quality into all business processes and making all Group employees aware of it. The **dissemination of the quality culture**, in addition to the implementation of a management system based on **ISO 9001** certification, is also reflected in a number of other **product certifications.** All the solutions offered by the Group are designed and developed with the **safety of its customers** at the centre, while ensuring consistent quality performance.

Customer centricity remains the focus also in the later stages of the value chain: **the Group regularly monitors the degree of satisfaction** through an analysis that includes several categories, from product reliability to the speed of response to complaints, from the adequacy of software and reporting to the evaluation of the perceived overall quality, considering the entire scope of supply.

These aspects are collected and analysed through **Net Promoter Score questionnaires**. In 2024, 46 questionnaires were completed, mostly located in Europe and North America, with an **overall score of 65.2**[1]. Among the features most valued by customers are **the reliability, performance and safety** of the Group's products, highlighting how commitment to these issues also translates into customer recognition.

The **CRM** (Customer Relationship Management) **platform**, used by most divisions of Pietro Fiorentini S.p.A. and the Group's main subsidiaries, has an **issue management** function that collects submitted complaints. The platform is contributing to the improvement of relations with customers, thanks to the activities of solving complaints and constant dialogue to better meet their needs. In 2024, the goal of **resolving issues in less than 20 days** was achieved by two of the three divisions of Pietro Fiorentini covered by the indicator; for 2025, work is underway to extend the goal to the other divisions.

1. Score calculated as the average of customer ratings, on a scale of 1 to 10, on reliability, effectiveness and convenience.

6.3 COLLABORATION WITH THE SUPPLY CHAIN

Material topic	Identified IROs	Type
Sustainable supply chain	Possible abuse of human rights and exploitation of forced and child labour along the supply chain	Potential negative impact
	Building strong relationships with suppliers, based on reliability and transparency, through compliance with contractual terms and payment schedules	Actual positive impact
	Integration of ESG principles in the choice of partners along the value chain, resulting in improved sustainability practices (e.g. application for adherence to 231 Model, certified management systems, emissions monitoring, etc.)	Potential positive impact
	Measuring and reducing ESG impacts along the supply chain (e.g.CO_2 emissions, respect for human rights, etc.)	Potential positive impact
	Reputational damage resulting from discrimination and violation of human and labour rights legislation by the company or its suppliers	Risk
	Working with suppliers not in line with sustainability standards (e.g. compliance with health and safety, environmental and human rights standards)	Risk
	Rising commodity costs and longer delivery times due to possible disruptions in the global supply chain caused by macroeconomic changes	Risk

In 2024, Pietro Fiorentini Group's supplier base numbered **over 6,000 business partners** from all over the world. The approach to the management of the supply chain is inspired by the principle of **local for local**, in order to render all Group companies independent in the management of the collaborations with their respective suppliers, thus ensuring solutions that are geographically close (to the extent that this is possible) to their reference market and, consequently, to the end customer. Demonstrating this commitment, the **number of local suppliers** accounted for **85%** of the total in 2024, a slight drop from the previous year (87%).

The proportion of **expenditure on local suppliers**[2] reflects the Group's commitment to favour, as far as possible, collaborations that are geographically close to the Group's sites: in 2024 this stands at around **80%**, up from 73% in 2023, to 84% for Italian companies. Added to this is the continued **strengthening of local supply** in some areas, notably **the USA**, and the relocation of 23 plastic moulds from China to Europe (compared to a target of at least 40). The extension of this activity to aluminium and cast iron components will be evaluated in 2025.

2. 'Expenditure on local suppliers' refers to expenditure on suppliers located in the same country as the site of the purchasing company: Italy for Pietro Fiorentini, TIV Valves, Sartori Ambiente, Biokomp Hyter and Terranova; France for Gazfio; Hungary for Fiorentini Hungary; Turkey for FioGaz and Yavuz Metal; Romania for Samgas Romania and FastEst; Poland for Fiorentini Polska; England for Fiorentini UK; Spain for Cryo Inox and Pietro Fiorentini Iberia; Germany for Fiorentini Deutschland and MicroPyros BioEnerTec; Austria for Fiorentini Gastechnik; Holland for Fiorentini Benelux; Algeria for Fiorentini Algerie; USA for Pietro Fiorentini (USA) and GWC USA; Mexico for Pietro Fiorentini de Mexico; India for Pietro Fiorentini India and Pietro Fiorentini DB India.

The direct and most relevant indirect suppliers are qualified by means of a **scorecard** that also includes some **ESG aspects**, in terms of health, safety and environmental management. In 2024, the ESG information of 75% of the continuous Class A and B suppliers was uploaded on the dedicated portal.

All suppliers undergo an **analysis of risks** based on the geopolitical context, on market surveys and focusing on the most relevant commodities and geographical areas. During the qualification phase, each supplier is associated with a risk index relating to its organisational structure and **compliance with quality requirements**. Over the course of the contractual relationship, the supplier is assessed by a reliability index which, in addition to quality performance, considers **delivery time** and **financial stability**. Suppliers with an insufficient score are subject to risk reduction activities.

To safeguard relations with its suppliers, the Group manages the invoice payment process through a dedicated management system, which also includes the automatic detection of any anomalies. In 2024, the number of days to **process invoice payments**, calculated as a weighted average, was about **4 days**, while the number of days to make payments averaged 73. It should also be noted that **no proceedings have been initiated by suppliers for late payment of invoices**.

As of 2023, Pietro Fiorentini's suppliers are required to sign the acceptance of the requirements of **SA 8000 certification**, which is binding for qualification purposes. In addition, in 2024, **audits** were conducted on the suppliers deemed most critical, focusing on worker management policies and health and safety procedures, in order to verify effective compliance. 9 suppliers (out of 10 in the goal) were audited and **28 improvement actions** were identified, the implementation of which will be monitored in 2025.

The Group is committed to spreading sustainable practices along its supply chain not only through its activities to **protect the rights of workers in the supply chain**, but also in its procurement choices, preferring, where possible, solutions with a lower environmental impact.

As evidence of this, in 2024 **a share of the CO_2 emissions generated** by air travel - for logistics services and employee travel - **was offset** through the purchase of services tied to the use of sustainable fuels.

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Appendix

7.1 METHODOLOGICAL NOTE

The Sustainability Report (hereafter 'Report') of Pietro Fiorentini Group (hereafter 'Group'), now in its **fifth edition**, is prepared annually on a **voluntary basis** in order to report on performance in the ESG area with increasing accuracy. The Report is part of a broader path taken by the Group towards fully **integrating sustainability into its business model**. The document aims to provide internal and external stakeholders with the clearest, most complete and transparent representation possible of the short/medium-term activities, projects, commitments, goals, and the results achieved in view of **creating long-term value**.

Approved by the Board of Directors on 15/05/2025, the Report was prepared one year in advance of the regulatory obligation required by Legislative Decree 125 of 6 September 2024, **in accordance with the ESRS** (European Sustainability Reporting Standards), developed by the EFRAG (European Financial Reporting Advisory Group). The aim is to ensure transparency of performance and facilitate comparability of the data presented.

The guidelines of the **Global Reporting Initiative (GRI)** were also taken into account when drafting the document. The Group has chosen to maintain the reporting of some GRI indicators, which have been appropriately included in the Appendix and reported in the ESRS Content Index.
The principle of materiality guides the extent and quality of sustainability reporting. The topics covered are in fact those that, following the **double materiality process** in line with ESRS standards and EFRAG guidelines, were found to be relevant in that they reflect significant environmental and societal **impacts** related to the company's activities and/or reflect significant **risks and opportunities** for the Group.

The sustainability indicators included in the document were selected in accordance with the disclosure requirements of the ESRS established by the CSRD (**Corporate Sustainability Reporting Directive**), implemented in Italy by Legislative Decree 125/2024. The chapters are then organised according to ESRS, with details of the indicators reported and references to the position of the information within the document.

The provided data and information refer to the financial year 1 January - 31 December 2024, unless stated otherwise. Where available, comparable data has been provided referring to previous financial years over the **three years from 2022 to 2024**, in order to present the trend of the Group’s performance over a longer period of time. In order to provide a close representation of performance, we prioritised the inclusion of directly measurable **quality and quantity and measured indicators**, only resorting to duly reported estimates in limited cases. In rare cases of data revision of what was published in the previous version of the Statement, such corrections are always precisely reported in the notes, next to the data.

The **reporting scope of the data** was extended from 2023, in line with the requirements of Legislative Decree 125/2024, in order to match that of the Group Consolidated Financial Statement as at 31 December 2024. The environmental and social data and information for 2022 refer, unless otherwise indicated in specific notes in the vicinity of the data, to the Parent Company **Pietro Fiorentini** S.p.A. (whose head office is located in Via Enrico Fermi 8/10, Arcugnano) and the fully consolidated companies **TIV Valves** S.r.l, **Sartori Ambiente** S.r.l., **Biokomp** S.r.l., **Hyter** S.r.l., **Terranova** S.r.l., **Gazfio** S.A.S., **Pietro Fiorentini (USA)** Inc., **Fiorentini Hungary** Kft., **FioGaz** San.Tic.A.S., **Samgas Romania** S.r.l., **Fiorentini UK** Ltd., **Cryo Inox** S.L. and **MicroPyros BioEnerTec** G.m.b.H..

Following the **alignment with the scope of the Consolidated Financial Statement**, the figures for the financial year 2023 were revised for all applicable indicators, according to the new reporting scope. Where it was not possible to change the figure for 2023 according to the new reporting scope, the information was promptly included within the notes. Therefore, the environmental and social data and information for 2023 and 2024 include the addition of the following companies: **Fiorentini Deutschland** G.m.b.H., **Fiorentini Gastechnik** G.m.b.H., **Fiorentini Benelux** B.V., **Pietro Fiorentini Iberia** S.L., **Fiorentini Polska** Sp. z o.o., **Yavuz Metal** A.S., **FastEst** S.r.l., **Fiorentini Algerie** E.U.R.L., **Pietro Fiorentini de Mexico** S. de R.L. de C.V., **GWC USA** Inc., **Pietro Fiorentini India** Ltd. and **Pietro Fiorentini DB India** Private Ltd. With regard to Terranova Group's subsidiaries (**Arcoda** S.r.l., **HPA** S.r.l. and **Giunko** S.r.l.), part of Pietro Fiorentini Group, data on some social indicators were collected, but they are excluded from the scope of all environmental indicators.

The Statement was prepared with the technical-methodological assistance of Marsh Advisory S.r.l. and **is not subject to third-party verification.**

For more details on achieved objectives, indicators, and results or for comments on this document, please send a request to **sustainability@fiorentini.com**.

7.2 ENVIRONMENTAL AND SOCIAL PERFORMANCE

MANAGEMENT OF ENVIRONMENTAL IMPACT

ENERGY CONSUMED [MWh]

ESRS E1-5

	2022	2023	2024
CONSUMPTION FROM FOSSIL SOURCES	**14,837**	**22,804**	**17,558**
Natural gas	6,725	5,598	5,932
Diesel	5,102	7,334	7,921
Petrol	293	1,090	890
LPG	52	65	34
Methane	56	71	27
Electricity purchased from fossil fuels	2,609	8,645	2,754
Share of fossil sources in total energy consumption (%)	**69%**	**94%**	**67%**
CONSUMPTION FROM RENEWABLE SOURCES	**6,779**	**1,472**	**8,477**
Electricity purchased from renewable sources	6,566	1,289	7,980
Electricity produced by photovoltaic panels	213	183	495
Fuel from renewable sources (Hydrogen)	-	-	2
Share of renewables in total energy consumption (%)	**31%**	**6%**	**33%**
TOTAL ENERGY CONSUMPTION	**21,616**	**24,276**	**26,035**

* GWC USA is not included in the reporting scope; consequently, it will also not appear in the calculation of energy intensity and emissions.
** The conversion factors provided by the Department for Environment Food & Rural Affair (DEFRA) 2024 were used to convert the values represented in MWh.

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GREENHOUSE GAS EMISSIONS [tCO_2eq]

ESRS E1-6

	2022	2023	2024
Natural gas	1,315	1,143	1,202
Diesel	1,308	1,864	2,012
Petrol	70	255	207
LPG	12	15	8
Methane	11	14	5
TOTAL SCOPE 1 EMISSIONS	**2,716**	**3,291**	**3,435**

	2022	2023	2024
Electricity – Location based	2,202	2,816	2,913
Electricity – Market based	659	4,206	1,268
TOTAL EMISSIONS SCOPE 1 + 2 (MARKET BASED)	**3,375**	**7,497**	**4,703**

* The factors used to calculate direct Scope 1 emissions, expressed in tonnes of CO_2 equivalent, are provided by the Department for Environment Food & Rural Affair (DEFRA) 2024.
** The factors used for the calculation of indirect Scope 2 Market-based emissions, expressed in tonnes of CO_2 equivalent, are provided for the European Union and Great Britain by the European Residual Mixes 2023 (aib-net.org) and for the USA, Turkey, Algeria, India and Mexico by the Carbon Database Initiative (CaDI).
*** The factors used to calculate indirect Scope 2 location-based emissions, expressed in tonnes of CO_2 equivalent, are provided for EU countries by ISPRA (report 404 - 2024), for Great Britain by DEFRA GHG emission factors 2024, for the USA, Turkey, Algeria, India, Mexico, Austria and Hungary by the Carbon Database Initiative (CaDI).

ENERGY INTENSITY [MWh/M€]

ESRS E1-5

	2022	2023	2024
Energy intensity	51.3	56.5	55.1

* The calculation of energy intensity refers to the ratio of energy consumption of Group companies operating in 'high climate impact sectors', expressed in MWh, to the turnover of the same companies, in millions of €. Only Terranova Group, whose NACE code does not fall within the sectors indicated as having a high climate impact, is excluded from the calculation.

INDIRECT EMISSIONS (SCOPE 3) OF GREENHOUSE GAS [tCO_2eq]

ESRS E1-6

	2022	2023	2024
Purchased goods and services	75,175	50,132	53,663
Upstream transportation and distribution	-	2,391	1,965
Waste generated in operations	166	137	23
Business travels	2,037	2,858	2,835
Of which by air	*1,960*	*2,771*	*2,753*
Of which by hired car	*74*	*84*	*78*
Of which by train	*3*	*3*	*3*
Employee commuting	-	1,770	1,947
Downstream transportation and distribution	-	3,061	2,831
End-of-life treatment of sold products	-	275	118
TOTAL SCOPE 3 EMISSIONS	**77,378**	**60,487**	**63,382**
TOTAL EMISSIONS SCOPE 1 + 2 (LOCATION BASED) + 3	**82,296**	**66,594**	**69,730**
TOTAL EMISSIONS SCOPE 1 + 2 (MARKET BASED) + 3	**80,735**	**67,984**	**68,085**

* Scope 3 indirect emissions were estimated using emission factors published by DEFRA. The reporting scope differs on the basis of categories, since many companies do not carry out production activities, therefore (i) for the Purchased goods and services category, the reporting scope is composed of Pietro Fiorentini, TIV Valves, Sartori Ambiente, Gazfio, Pietro Fiorentini (USA) and FioGaz; (ii) for the Transport and upstream distribution category, the reporting scope is composed of Pietro Fiorentini, TIV Valves, Pietro Fiorentini (USA) and FioGaz; (iii) for the Waste generated in operations, Corporate travel and Worker commuting categories, the reporting scope is whole; (iv) for the category Transport and downstream distribution the reporting scope is composed of Pietro Fiorentini, TIV Valves, Gazfio, Pietro Fiorentini (USA) and FioGaz; (v) for the category End of life treatment of products sold the reporting scope is composed of Pietro Fiorentini, TIV Valves, Sartori Ambiente, Pietro Fiorentini (USA) and FioGaz.

EMISSIVE INTENSITY [tCO_2eq]

ESRS E1-6

	2022	2023	2024
Emissive intensity (Scope 1 + 2 Market based)	8	16.7	9.5
Emissive intensity (Scope 1 + 2 Market based + 3)	191.7	151.2	137.8

* The calculation of emission intensity refers to the ratio of direct (Scope 1) and indirect (Scope 2 Market-based and Scope 3) emissions generated by the organisation, expressed in tonnes of CO_2 equivalent, to Group turnover, in millions of €.
** The 2022 values were revised as they did not include Scope 3 emissions in the calculation.

WATER CONSUMPTION [m^3]

ESRS E3-4

	2022	2023	2024
Water withdrawals	36,234	53,185	51,780
Water discharges	34,504	49,813	46,065
Reused or recycled water	-	1,287	2,113
TOTAL WATER CONSUMPTION	**1,730**	**3,372**	**5,715**
Of which in water-stressed areas	*253*	*2,155*	*3,465*

* Water stress areas are considered to be those classified as 'Medium-High', 'High' or 'Very High' according to the World Resource Institute, Aqueduct - Water Risk Atlas.
** Due to the unavailability of data, the companies Pietro Fiorentini de Mexico and Fiorentini Benelux were excluded from the data collection scope.

MATERIALS USED [t]

ESRS E5-4

Materials used (excluding packaging)	2023	2024
Technical materials	**22,421**	**23,490**
Steel	14,666	14,088
Stainless steel	1,439	51
Cast iron	1,314	1,707
Zinc alloys	998	1,666
Electronic components	965	1,551
Aluminium	899	1,332
Plastic	1,099	1,058
Rubber	466	584
Chemical products	422	496
Nickel	-	434
Brass	169	291
Cement	-	284
Copper	0.3	0.3
Biological materials	**147**	**198**
Bio-plastics	147	146
Cardboard	-	52
Paper	0.4	0.5
Materials from reuse or recycling (Plastic)	**2,018**	**2,320**
TOTAL MATERIALS USED	**24,602**	**26,061**

Materials used for packaging	2023	2024
Wood	600	642
Cardboard	533	626
Plastic	40	46
TOTAL MATERIALS USED	**1,173**	**1,314**

* Figures for 2023 have been revised due to inaccuracies in the estimation of material weights.
** Material procurement data were only requested from the main production companies in the reporting scope, namely Pietro Fiorentini, TIV Valves, Sartori Ambiente, Gazfio, Pietro Fiorentini (USA) and FioGaz.

WASTE DESTINED FOR RECOVERY BY TYPE [t]

ESRS E5-5

	2022	2023	2024
Hazardous waste	**357**	**400**	**725**
Preparation for re-use	-	2	-
Recycling	56	15	10
Other recovery operations	301	383	715
Non-hazardous waste	**1,796**	**2,653**	**1,277**
Preparation for re-use	23	40	26
Recycling	182	975	376
Other recovery operations	1,591	1,638	877
TOTAL WASTE RECOVERED	**2,153**	**3,053**	**2,002**

WASTE DESTINED FOR DISPOSAL BY TYPE [t]

ESRS E5-5

	2022	2023	2024
Hazardous waste	**584**	**444**	**231**
Landfill disposal	51	3	-
Incineration with energy recovery	29	20	6
Incineration without energy recovery	3	24	5
Other types of disposal	501	397	220
Non-hazardous waste	**241**	**204**	**799**
Landfill disposal	37	60	387
Incineration with energy recovery	58	1	14
Incineration without energy recovery	-	1	15
Other types of disposal	146	142	383
TOTAL WASTE DISPOSED	**825**	**648**	**1,030**

* For all waste indicators, the data scope for 2023 remained unchanged from last year, not being expanded as for the other indicators, due to the increased complexity of data integration.

PERSONNEL MANAGEMENT

EMPLOYEES BY GROUP COMPANY AND GENDER [n°]

ESRS S1-6

	2022		2023		2024	
	Women	Men	Women	Men	Women	Men
Pietro Fiorentini	282	827	292	829	303	831
TIV Valves	17	36	16	43	20	47
Sartori Ambiente	6	21	6	20	6	27
Hyter	1	7	3	5	4	6
Biokomp	3	7	3	7	2	8
Terranova Group	78	238	86	252	109	319
Gazfio	56	90	49	85	51	99
Cryo Inox	7	33	10	38	14	52
FioGaz	9	38	9	41	9	41
Pietro Fiorentini (USA)	21	22	14	14	13	20
Samgas Romania	2	13	2	13	2	14
Fiorentini UK	2	9	2	11	4	10
MicroPyros BioEnerTec	6	4	6	4	6	3
Fiorentini Hungary	6	55	1	1	1	-
Yavuz Metal	-	-	16	57	25	100
GWC USA	-	-	11	64	12	52
Pietro Fiorentini de Mexico	-	-	3	23	2	24
Fiorentini Algerie	-	-	7	11	7	15
Pietro Fiorentini DB India	-	-	3	13	3	17
Pietro Fiorentini India	-	-	-	3	-	5
FastEst	-	-	4	11	3	16
Fiorentini Deutschland	-	-	5	9	5	10
Fiorentini Polska	-	-	2	13	2	13
Pietro Fiorentini Iberia	-	-	3	8	4	9
Fiorentini Gastechnik	-	-	1	4	1	4
Fiorentini Benelux	-	-	-	1	-	1
TOTAL EMPLOYEES	**496**	**1,400**	**554**	**1,580**	**608**	**1,743**
	1,896		**2,134**		**2,351**	

* The scope of the data collected for 2024 also includes the subsidiaries of Terranova Group

EMPLOYEES BY TYPE OF CONTRACT, TYPE OF EMPLOYMENT AND GENDER [n°]

ESRS S1-6

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent contract	471	1,357	**1,828**	541	1,544	**2,085**	589	1,707	**2,296**
Temporary contract	25	43	**68**	13	36	**49**	19	36	**55**
TOTAL	**496**	**1,400**	**1,896**	**554**	**1,580**	**2,134**	**608**	**1,743**	**2,351**
Full-time	432	1,387	**1,819**	484	1,552	**2,036**	539	1,724	**2,263**
Part-time	64	13	**77**	67	15	**82**	69	19	**88**
Non-guaranteed hours	-	-	**-**	3	13	**16**	-	-	**-**
TOTAL	**496**	**1,400**	**1,896**	**554**	**1,580**	**2,134**	**608**	**1,743**	**2,351**

* The scope of the data collected for 2024 also includes the subsidiaries of Terranova Group

EMPLOYEE TURNOVER

ESRS S1-6

	2022	2023	2024
Hires [n°]	371	420	435
Terminations [n°]	269	441	305
Turnover rate [%]	**22%**	**21%**	**13%**

EMPLOYEES BY AGE [n°]

ESRS S1-9

	2022	2023	2024
Below 30 years of age	374	475	452
Between 30 and 50	1,023	1,150	1,271
Over 50 years of age	499	509	560
TOTAL	**1,896**	**2,134**	**2,283**

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER [n°]

ESRS S1-9

	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	2	42	**44**	3	48	**51**	4	50	**54**
Managers	15	83	**98**	24	101	**125**	17	107	**124**
Office workers	351	806	**1,157**	380	803	**1,183**	434	880	**1,314**
Production workers	128	469	**597**	147	628	**775**	153	706	**859**
TOTAL	**496**	**1,400**	**1,896**	**554**	**1,580**	**2,134**	**608**	**1,743**	**2,351**

* The scope of the data collected for 2024 also includes the subsidiaries of Terranova Group

% of Top Management by gender	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	4.5%	95.5%	**100%**	5.9%	94.1%	**100%**	7.4%	92.6%	**100%**

* The scope of the data collected for 2024 also includes the subsidiaries of Terranova Group

EXTERNAL WORKFORCE BY CONTRACT TYPE AND GENDER [n]

ESRS S1-7

	2022	2023	2024
Workers on agency staff leasing	615	463	439
Self-employed workers	9	21	21
Interns / Trainees	16	27	21
Workers with semi-subordinate employment contracts	11	10	14
Other	12	12	9
TOTAL EXTERNAL WORKFORCE	**663**	**533**	**504**

WORKERS COVERED BY COLLECTIVE BARGAINING AGREEMENTS AND TRADE UNIONS

ESRS S1-8

	u.m.	2022	2023	2024
Employees covered by collective bargaining contracts	no.	1,709	1,761	1,849
	%	90%	83%	81%
Non-employees covered by collective bargaining contracts	no.	612	430	362
	%	92%	81%	72%
TOTAL WORKERS COVERED	**no.**	**2,321**	**2,191**	**2,211**
	%	**91%**	**82%**	**79%**

* Collective bargaining agreements are in place in Italy (for Pietro Fiorentini, TIV Valves, Sartori Ambiente, Terranova, Biokomp and Hyter), France (Gazfio), Spain (Cryo Inox and Pietro Fiorentini Iberia), Austria (Fiorentini Gastechnik) and the Netherlands (Fiorentini Benelux). In other countries, however, the respective companies have not signed such agreements.

	2023	2024
Employees working in sites with workers' representatives [n°]	1,488	1,554
Employees covered by workers' representatives (%)	**70%**	**68%**

WORKERS COVERED BY SOCIAL SECURITY

ESRS S1-11

	u.m.	2022	2023	2024
Employees guaranteed with forms of social security	no.	1,896	2,134	2,279
	%	**100%**	**100%**	**100%**
Non-employees guaranteed with forms of social security social	no.	625	502	481
	%	**94%**	**94%**	**95%**

EMPLOYEES WITH DISABILITIES

ESRS S1-12

		2022			2023			2024		
	u.m.	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees with disabilities	no.	32	28	**60**	35	42	**77**	41	48	**89**
	%	**2%**	**1%**	**3%**	**2%**	**2%**	**4%**	**2%**	**2%**	**4%**

EMPLOYEES RECEIVING PERIODIC PERFORMANCE EVALUATIONS

ESRS S1-13

	2022			2023			2024		
[n°]	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	2	19	**21**	3	22	**25**	3	26	**29**
Managers	7	20	**27**	14	67	**81**	14	69	**83**
Office workers	160	396	**556**	244	535	**779**	332	750	**1,082**
Production workers	20	51	**71**	95	402	**497**	83	496	**579**
TOTAL	**189**	**486**	**675**	**356**	**1,026**	**1,382**	**432**	**1,341**	**1,773**

	2022			2023			2024		
[%]	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	100%	45%	**48%**	100%	46%	**49%**	75%	52%	**54%**
Managers	47%	24%	**28%**	54%	65%	**65%**	82%	64%	**67%**
Office workers	46%	49%	**48%**	64%	67%	**66%**	79%	91%	**87%**
Production workers	16%	11%	**12%**	65%	64%	**64%**	54%	70%	**67%**
TOTAL	**38%**	**35%**	**36%**	**64%**	**65%**	**65%**	**73%**	**79%**	**78%**

TRAINING HOURS

ESRS S1-13

	2022			2023			2024		
[h]	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	57	771	**828**	66	1,023	**1,089**	119	1,584	**1,702**
Managers	1,171	5,406	**6,577**	535	2,630	**3,165**	828	3,527	**4,355**
Office workers	15,116	43,560	**58,675**	10,803	26,131	**36,934**	14,826	41,029	**55,855**
Production workers	2,300	12,628	**14,928**	3,992	14,072	**18,064**	3,870	17,041	**20,911**
TOTAL	**18,643**	**62,364**	**81,007**	**15,395**	**43,856**	**59,252**	**19,642**	**63,181**	**82,823**

	2022			2023			2024		
[man hr]	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	28.5	18,4	**18.8**	22,0	21.3	**21.4**	29.6	31.7	**31.5**
Managers	78.0	63.1	**67.1**	22.3	26.0	**25.3**	48.7	33.0	**35.1**
Office workers	43.0	54.0	**50.7**	28.4	32.5	**31.2**	35.3	49.7	**44.8**
Production workers	18.0	26.9	**25.0**	27.2	22.4	**23.3**	25.3	24.1	**24.3**
TOTAL	**37.6**	**44.5**	**42.7**	**27.8**	**27.8**	**27.8**	**33.1**	**37.4**	**36.3**

PARENTAL LEAVE

ESRS S1-15

	u.m.	2022	2023	2024
Employees with access to parental leave	no.	1,853	2,070	2,225
	%	**87%**	**97%**	**97%**

		2022			2023			2024		
	u.m.	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees who have taken parental leave	no.	28	58	**86**	45	79	**124**	98	149	**247**
	%	**6%**	**4%**	**5%**	**8%**	**5%**	**6%**	**16%**	**9%**	**11%**

* Parental leave is the leave that both parents may request from the organisation following the birth of a child (maternity and paternity). The percentage is lower than 100% due to the regulatory environment in some countries where the Group operates.

HEALTH AND SAFETY IN THE WORKPLACE

WORKERS COVERED BY A MANAGEMENT SYSTEM OF HEALTH AND SAFETY IN THE WORKPLACE

ESRS S1-14

	u.m.	2022	2023	2024
Employees covered	no.	1,794	1,906	2,046
	%	**95%**	**89%**	**90%**
Non-employees covered	no.	589	482	470
	%	**89%**	**90%**	**93%**

EMPLOYEE ACCIDENTS IN THE WORKPLACE

ESRS S1-14

		2022			2023			2024		
	u.m.	Women	Men	Total	Women	Men	Total	Women	Men	Total
Accidents in the workplace	no.	**18**	**3**	**21**	**2**	**32**	**34**	**5**	**34**	**39**
Of which at the workplace		*17*	*2*	***19***	*1*	*29*	***30***	*4*	*32*	***36***
Of which during work commutes		*1*	*1*	***2***	*1*	*3*	***4***	*1*	*2*	***3***
Days lost following an accident		252	77	**329**	15	681	**696**	64	413	**477**
Hours worked	Thou-sand h	1,673	554	**2,226**	994	2,405	**3,399**	896	2,796	**3,692**
Accident severity rate	%	**0.14**	**0.15**	**0.15**	**0.02**	**0.28**	**0.20**	**0.07**	**0.15**	**0.13**
Accident frequency rate	%	**10.76**	**5.42**	**9.43**	**2.01**	**13.31**	**10**	**5,58**	**12.16**	**10.56**

* An accident during a work commute is defined as an accident occurring during the worker's journey from home to work or during the journey between two workplaces.
** Severity rate = no. days lost due to accidents x 1,000 / no. hours worked
*** Frequency rate = no. accidents x 1,000,000 / no. hours worked

NON-EMPLOYEE ACCIDENTS IN THE WORKPLACE

ESRS S1-14

		2022			2023			2024		
	u.m.	Women	Men	Total	Women	Men	Total	Women	Men	Total
Accidents in the workplace	no.	**4**	**2**	**6**	**1**	**5**	**6**	**10**	**7**	**17**
Of which at the workplace		*4*	*2*	***6***	*1*	*5*	***6***	*5*	*5*	***13***
Of which during work commutes		-	-	**-**	-	-	**-**	*2*	*2*	***4***
Days lost following an accident		20	14	**34**	11	37	**48**	60	69	**129**
Hours worked	Thou-sand h	503	429	**932**	234	495	**730**	292	268	**560**
Accident severity rate	%	**0.04**	**0.03**	**0.04**	**0.05**	**0.08**	**0.07**	**0.21**	**0.26**	**0.23**
Accident frequency rate	%	**7.95**	**4.66**	**6.44**	**4.33**	**10.26**	**8.35**	**34.19**	**26.08**	**30.31**

SUPPLY CHAIN AND DISTRIBUTED ECONOMIC VALUE

EXPENDITURE ON LOCAL SUPPLIERS [M€]

GRI 204-1

	2022	2023	2024
Expenditure on local suppliers	268.9	245.1	259.1
Expenditure on suppliers in the rest of the world	119.6	101.3	66
Total expenditure	388.5	346.4	325.1
% OF EXPENDITURE ON LOCAL SUPPLIERS	**69.2**	**70.7**	**79.7**

* 'Expenditure on local suppliers' refers to expenditure on suppliers located in the same country as the headquarters of the purchasing company: Italy for Pietro Fiorentini, TIV Valves, Sartori Ambiente, Biokomp Hyter and Terranova; France for Gazfio; Hungary for Fiorentini Hungary; Turkey for FioGaz and Yavuz Metal; Romania for Samgas Romania and FastEst; Poland for Fiorentini Polska; England for Fiorentini UK; Spain for Cryo Inox and Pietro Fiorentini Iberia; Germany for Fiorentini Deutschland and MicroPyros BioEnerTec; Austria for Fiorentini Gastechnik; Netherlands for Fiorentini Benelux; Algeria for Fiorentini Algerie; United States for Pietro Fiorentini (USA) and GWC USA; Mexico for Pietro Fiorentini de Mexico; India for Pietro Fiorentini India and Pietro Fiorentini DB India.
** 2024 figures do not take into account purchases between Group companies

SUPPLIERS BY GEOGRAPHIC AREA [n°]

GRI 204-1

	2022	2023	2024
Local suppliers	6,327	7,148	6,182
Suppliers in the rest of the world	1,025	1,051	1,060
Total	7,352	8,199	7,242
% OF LOCAL SUPPLIERS	**86.1%**	**87.2%**	**85.4%**

GENERATED AND DISTRIBUTED ECONOMIC VALUE [k€]

GRI 201-1

	2022	2023	2024
GENERATED ECONOMIC VALUE	**466,220**	**518,238**	**551,244**
DISTRIBUTED ECONOMIC VALUE	**398,519**	**462,990**	**501,595**
Value distributed to suppliers	265,518	317,822	326,419
Value distributed to collaborators	112,720	129,907	148,896
Value distributed to financiers	1,889	4,665	12,781
Value distributed to the public administration	18,292	10,569	13,500
WITHHELD ECONOMIC VALUE	**67,701**	**55,248**	**49,649**

7.3 ESRS CONTENT INDEX

Area		Description	Reference paragraph
General disclosures – ESRS 2			
BP-1	Basis for preparation	General basis for preparation of sustainability statements	7.1 Methodological note
BP-2	Basis for preparation	Disclosures in relation to specific circumstances	7.1 Methodological note
GOV-1	Governance	The role of the administrative, management and supervisory bodies	3.1 Governance structure
GOV-2	Governance	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	3.1 Governance structure
GOV-3	Governance	Integration of sustainability-related performance in incentive schemes	*The Group has not yet adopted an incentive system linked to sustainability performance*
GOV-4	Governance	Statement on due diligence	*The Group has not yet adopted a due diligence system*
GOV-5	Governance	Risk management and internal controls over sustainability reporting	2.2 The double materiality analysis 3.4 Risk and opportunity management
SBM-1	Strategy	Strategy, business model and value chain	1.1 Pietro Fiorentini Group: our new structure 1.2 Gas & Water Solutions for Utilities 1.3 Oil & Gas Process Solutions and Valves 1.4 Renewable Solutions 1.5 Software Solutions 1.6 Waste Solutions 5.1 People management and development 6.1 Distributing value to stakeholders
SBM-2	Strategy	Interests and views of stakeholders	2.1 Stakeholder engagement 2.2 The double materiality analysis
SBM-3	Strategy	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2 The double materiality analysis 2.3 The materiality matrix
IRO-1	Impact, risk and opportunity management	Description of the processes to identify and assess material impacts, risks and opportunities	2.2 The double materiality analysis
IRO-2	Impact, risk and opportunity management	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	7.1 Methodological note 7.3 ESRS content index
MDR-P	Impact, risk and opportunity management	Policies adopted to manage material sustainability matters	3. Building trust 4. Building awareness 5. Building, together 6. Building connections
MDR-A	Impact, risk and opportunity management	Actions and resources in relation to material sustainability matters	3. Building trust 4. Building awareness 5. Building, together 6. Building connections
MDR-M	Impact, risk and opportunity management	Metrics in relation to material sustainability matters	3. Building trust 4. Building awareness 5. Building, together 6. Building connections
MDR-T	Impact, risk and opportunity management	Tracking effectiveness of policies and actions through targets	2.4 Our ESG goals

Area		Description	Reference paragraph
Governance - Business conduct - ESRS G1			
GOV-1	Governance	The role of the administrative, supervisory and management bodies	3.1 Governance structure
IRO-1	Impact, risk and opportunity management	Description of the processes to identify and assess material impacts, risks and opportunities	2.2 The double materiality analysis
G1-1	Impact, risk and opportunity management	Corporate culture and business conduct policies and corporate culture	3.2 Business ethics 3.3 Management systems
G1-2	Impact, risk and opportunity management	Management of relationships with suppliers	6.3 Collaboration with the supply chain
G1-3	Impact, risk and opportunity management	Prevention and detection of corruption and bribery	3.2 Business ethics
G1-4	Metrics and targets	Confirmed incidents of corruption or bribery	3.2 Business ethics
G1-5	Metrics and targets	Political influence and lobbying activities	*Not applicable*
G1-6	Metrics and targets	Payment practices	6.3 Collaboration with the supply chain
GRI 201-1	Economic performance	Generated and distributed economic value	6.1 Distributing value to stakeholders
Environmental - Climate change - ESRS E1			
E1 GOV-3	Governance	Integration of sustainability-related performance in incentive schemes	*The Group has not yet adopted an incentive system linked to sustainability performance*
E1-1	Strategy	Transition plan for climate change mitigation	*The Group has not yet adopted a transition plan for climate change mitigation*
SBM-3	Strategy	Material impacts, risks and opportunities and their interaction with strategy and business model	*The Group has not yet conducted a climate risk analysis*
IRO-1	Impact, risk and opportunity management	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.2 The double materiality analysis

Area		Description	Reference paragraph
E1-2	Impact, risk and opportunity management	Policies related to climate change mitigation and adaptation	4.1 Energy consumption 4.5 Our carbon footprint
E1-3	Impact, risk and opportunity management	Actions and resources in relation to climate change policies	4.1 Energy consumption 4.5 Our carbon footprint
E1-4	Metrics and targets	Targets related to climate change mitigation and adaptation	2.4 Our ESG goals
E1-5	Metrics and targets	Energy consumption and mix	4.1 Energy consumption 7.2 Environmental and social performance
E1-6	Metrics and targets	Gross Scopes 1, 2, 3 and Total GHG emissions	4.5 Our carbon footprint 7.2 Environmental and social performance
E1-7	Metrics and targets	GHG removals and GHG mitigation projects financed through carbon credits	*Not applicable*
E1-8	Metrics and targets	Internal carbon pricing	*Not applicable*
E1-9	Metrics and targets	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	*Not applicable*
Environmental – Water and marine resources – ESRS E3			
IRO-1	Impact, risk and opportunity management	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	2.2 The double materiality analysis 4.2 Water consumption
E3-1	Impact, risk and opportunity management	Policies related to water and marine resources	4.2 Water consumption
E3-2	Impact, risk and opportunity management	Actions and resources related to water and marine resources	4.2 Water consumption
E3-3	Metrics and targets	Targets related to water and marine resources	*The Group has not yet adopted a plan to reduce water consumption*
E3-4	Metrics and targets	Water consumption	4.2 Water consumption 7.2 Environmental and social performance
E3-5	Metrics and targets	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	*Not applicable*

Area		Description	Reference paragraph
Environmental – Resource use and circular economy – ESRS E5			
IRO-1	Impact, risk and opportunity management	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	2.2 The double materiality analysis 4.3 Materials used 4.4 Waste valorisation
E5-1	Impact, risk and opportunity management	Policies related to resource use and circular economy	4.3 Materials used
E5-2	Impact, risk and opportunity management	Actions and resources related to resource use and circular economy	4.3 Materials used 4.4 Waste valorisation
E5-3	Metrics and targets	Targets related to resource use and circular economy	2.4 Our ESG goals
E5-4	Metrics and targets	Resource inflows	4.3 Materials used 7.2 Environmental and social performance
E5-5	Metrics and targets	Resource outflows	4.4 Waste valorisation 7.2 Environmental and social performance
E5-6	Metrics and targets	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	*Not applicable*
Social – Own workforce – ESRS S1			
SBM-2	Strategy	Interests and views of stakeholders	2.1 Stakeholder engagement
SBM-3	Strategy	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2 The double materiality analysis 5.1 People management and development
S1-1	Impact, risk and opportunity management	Policies related to own workforce	5.1 People management and development 5.2 The 'safety first' culture 5.3 Investing in knowledge 5.4 Diversity and inclusion
S1-2	Impact, risk and opportunity management	Processes for engaging with own workers and workers' representatives about impacts	2.1 Stakeholder engagement 5.1 People management and development
S1-3	Impact, risk and opportunity management	Processes to remediate negative impacts and channels for own workers to raise concerns	5.1 People management and development 5.2 The 'safety first' culture 5.3 Investing in knowledge 5.4 Diversity and inclusion
S1-4	Impact, risk and opportunity management	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	2.4 Our ESG goals 5.1 People management and development 5.2 The 'safety first' culture 5.3 Investing in knowledge 5.4 Diversity and inclusion
S1-5	Metrics and targets	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.4 Our ESG goals
S1-6	Metrics and targets	Characteristics of the undertaking's employees	5.1 People management and development 7.2 Environmental and social performance
S1-7	Metrics and targets	Characteristics of non-employee workers in the undertaking's own workforce	5.1 People management and development 7.2 Environmental and social performance
S1-8	Metrics and targets	Collective bargaining coverage and social dialogue	5.1 People management and development
S1-9	Metrics and targets	Diversity metrics	5.1 People management and development 7.2 Environmental and social performance
S1-10	Metrics and targets	Adequate wages	*All employees receive appropriate remuneration in accordance with national laws and collective bargaining agreements*
S1-11	Metrics and targets	Social protection	7.2 Environmental and social performance
S1-12	Metrics and targets	Persons with disabilities	7.2 Environmental and social performance
S1-13	Metrics and targets	Training and skills development metrics	5.3 Investing in knowledge 7.2 Environmental and social performance
S1-14	Metrics and targets	Health and safety metrics	5.2 The 'safety first' culture 7.2 Environmental and social performance
S1-15	Metrics and targets	Work-life balance metrics	5.1 People management and development 7.2 Environmental and social performance
S1-16	Metrics and targets	Remuneration metrics (pay gap and total remuneration)	*The Group has not yet conducted a gender pay gap measurement*
S1-17	Metrics and targets	Incidents, complaints and severe human rights impacts	5.4 Diversity and inclusion

Area		Description	Reference paragraph
Social – Workers in the value chain – ESRS S2			
SBM-2	Strategy	Interests and views of stakeholders	2.1 Stakeholder engagement
SBM-3	Strategy	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2 The double materiality analysis 6.3 Collaboration with the supply chain
S2-1	Impact, risk and opportunity management	Policies related to value chain workers	3.2 Business ethics 6.3 Collaboration with the supply chain
S2-2	Impact, risk and opportunity management	Processes for engaging with value chain workers about impacts	2.1 Stakeholder engagement 6.3 Collaboration with the supply chain
S2-3	Impact, risk and opportunity management	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2 Business ethics 6.3 Collaboration with the supply chain
S2-4	Impact, risk and opportunity management	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	6.3 Collaboration with the supply chain
S2-5	Metrics and targets	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.4 Our ESG goals
GRI 204-1	Procurement practices	Proportion of expenditure to local suppliers	6.3 Collaboration with the supply chain 7.2 Environmental and social performance

Area		Description	Reference paragraph
Social – Consumers and end-users – ESRS S4			
SBM-2	Strategy	Interests and views of stakeholders	2.1 Stakeholder engagement 6.2 Customer centricity and satisfaction
SBM-3	Strategy	Material impacts, risks and opportunities and their interaction with strategy and business model	6.2 Customer centricity and satisfaction
S4-1	Impact, risk and opportunity management	Policies related to consumers and end-users	*Not applicable*
S4-2	Impact, risk and opportunity management	Processes for engaging with consumers and end-users about impacts	6.2 Customer centricity and satisfaction
S4-3	Impact, risk and opportunity management	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	6.2 Customer centricity and satisfaction
S4-4	Impact, risk and opportunity management	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	2.4 Our ESG goals 6.2 Customer centricity and satisfaction

2024 SUSTAINABILITY REPORT

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CONCEPT & DESIGN R&S&C

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