Gnutti Group

2025

Sustainability report

Our vision for a sustainable, responsible future

Index

Key information

Business model	2025
● Revenue – € million	282
● Export [%]	70%
Environment	**2025**
Climate change	
● Energy consumption - MWh	42,489
● Renewable energy as a percentage of total consumption – %	23.7%
● Energy intensity – Consumption (MWh) / € thousand	0.15
● GHG emissions (Scope 1 + location-based Scope 2) (tCO_2e)	9,028
Water and marine resources	
● Water withdrawals - m³	44,680
Circular economy and resource use	
● Recycled brass input - %	95.1%
● Share of waste sent for recovery - t	99.9%
Management systems	
● UNI EN ISO 14001 – Environmental management system	
● UNI EN ISO 50001 – Energy management system	
● UNI EN ISO 14067 – Product Carbon Footprint	
Social	**2025**
● Number of employees as at 31 December	772
● Employees hired on permanent contracts - %	98.9%

Social	2025
● Employees hired on full-time contracts - %	90.8%
● Training - Average training hours per employee	5.3
● Diversity - Percentage of new hires under 30 years of age - %	40.8%
● Reported whistleblowing cases	None
● Customer satisfaction questionnaire	4.66/5
● Data breach	None
Policies	
● Group human rights policy	
● Quality policy	
Management systems	
● UNI EN ISO 9001 – Quality management system	
● UNI EN ISO 45001 – Occupational health and safety management system	
Governance	
Policies	
● Group Code of Ethics	
● Model 231	
● Corporate ESG objectives	
Certifications	
● EPD - Environmental Product Declaration	
● EcoVadis (Silver Medal)	

LEGEND
- ● (dark blue) Gnutti Group
- ● (grey) Gnutti Cirillo S.p.a.

Dear stakeholders,

Gnutti Cirillo – the industrial holding company of Gnutti Group – voluntarily publishes its Sustainability Report and, from this year, expands the reporting scope to include all Group companies, confirming its commitment to transparent and structured communication.

The 2025 Sustainability Report, developed in line with the three ESG pillars and with reference to the new European ESRS standards, has been prepared with **the aim of strengthening transparency among the market and stakeholders, while also consolidating the integration of sustainability into corporate strategy**. The document presents the main results achieved during the year, highlighting the contribution to the Sustainable Development Goals (SDGs) of the 2030 Agenda and the progressive strengthening of the analysis of risks and opportunities in accordance with the principle of double materiality.

In a context still characterised by geopolitical and economic uncertainty, 2025 saw Gnutti Group continue with determination on its path to integrating ESG factors, consolidating the results achieved and further strengthening its positioning in sustainability.

ESG Governance: During 2025, the development of the sustainability governance model was completed with the establishment of the ESG Strategic Board, which has been operational since the first half of the year and is tasked with guiding, monitoring and integrating ESG matters into strategic decision-making and business processes. In addition, a Group Code of Ethics was approved, setting out the Group's guiding principles and values and strengthening oversight of ethics, integrity and responsibility across all business activities.

Environment: The Group continued its efforts to reduce its environmental impact and improve energy efficiency, highlighting the results achieved through ISO 14067 certification for product carbon footprint calculation and the publication of Environmental Product Declarations (EPDs). Initiatives for self-generation from renewable sources were also further developed, increasing the contribution of solar photovoltaic energy to the company's energy needs and strengthening its commitment to climate change mitigation and its decarbonisation pathway.

Social: The Group continued to invest in human capital, a key pillar of its growth. Training activities were further developed and consolidated, with particular focus on skills development and the promotion of diversity, inclusion and organisational well-being. During 2025, the ISO 45001 certification process was also completed, confirming the Group's ongoing commitment to protecting health and safety in the workplace. Finally, the Group Human Rights Policy was approved, further strengthening the focus on the principles of respect, fairness and responsibility across all business activities.

From an economic perspective, the Group confirmed its solid position, continuing on a path of sustainable and resilient growth. The results achieved in the 2025 financial year reflect the Group's ability to create long-term value through a business model focused on efficiency, innovation and the responsible use of resources, while respecting the needs of future generations.

The increasing integration of sustainability into the Group's strategies demonstrates its commitment to continuously assessing and improving its performance, while actively contributing to the transition towards a low-carbon economy, greater energy efficiency and the responsible management of social and environmental challenges. We believe that engaging the entire value chain and maintaining ongoing dialogue with stakeholders are key to creating value and **contributing to a more resilient and sustainable future.**

Giuliano and Alberto Gnutti

01 General *Disclosures*

Basis of preparation

ESRS Standard
ESRS 2 BP-1, BP-2

Gnutti Group's Sustainability Report

The Gnutti Group Sustainability Report for the year ended 31 December 2025 **was prepared on a voluntary basis with reference to the European Sustainability Reporting Standards (ESRS)**, the European standards for sustainability reporting. In particular, specific ESRS indicators, or parts thereof, were selected and reported, taking into account their materiality in relation to the Group's business model and operating context.

The objective of the Sustainability Report is to enable stakeholders to understand the company's material impacts on people and the environment, and the material effects of sustainability matters on the company's development, performance and position.

The regulatory framework

The regulatory framework for reporting on environmental, social and governance (ESG) matters is based on the provisions initially established by Directive (EU) 2022/2464, the Corporate Sustainability Reporting Directive (CSRD), transposed into Italian law by Legislative Decree No. 125 of 6 September 2024 (Legislative Decree 125/2024). Following the presentation of the proposals by the European Commission (26 February 2025 – Omnibus), the regulatory framework for sustainability reporting was amended as follows:

Scope	References
Effective date Reporting obligations for large undertakings not listed on EU regulated markets	**Directive (EU) 2025/1794** (*'Stop the Clock'*), transposed into Italian law by Decree-Law 95/2025 and converted into Law 118/2025 of 8 August 2025, provides for a two-year postponement of the application of the CSRD to large unlisted undertakings (from 2025 to **2027**).
Entities subject to the requirements Scope of companies subject to CSRD requirements (size criteria)	**Directive (EU) 2026/470 of 24 February 2026**, which is currently being transposed into Italian law, amended the thresholds originally established by the CSRD, providing that sustainability reporting requirements apply to undertakings with **revenue** exceeding **€450 million** and an average of **1,000 employees** during the financial year.
ESRS reporting standards	The **ESRS review** process was completed in November 2025. EFRAG published the updated document (Technical Advice) on 4 December 2025 for subsequent review by the European Commission, following which the EU Regulation amending the standards will be published (by **July 2026**).
VS Standard Voluntary reporting standard	EU VS Sustainability Reporting Standards for voluntary use – The draft VS standard was published by the European Commission on 6 May 2026 in the form of a delegated regulation supplementing Directive 2013/34/EU, with the aim of supporting undertakings that are not subject to sustainability reporting requirements under the CSRD.

The Gnutti Group is not required to comply with Legislative Decree 125/2024, which transposed the CSRD into Italian law, as amended by Directives (EU) 2025/1794 and (EU) 2026/470. **The preparation of the Sustainability Report, including for reporting periods after 2025, is therefore voluntary in nature.**

General reporting criteria

The ESRS define the information that an undertaking must disclose regarding its **impacts, risks and opportunities** in relation to material environmental, social and governance sustainability matters. The materiality of sustainability topics arising from direct and indirect commercial relationships across the upstream and downstream value chain is assessed by applying the 'double materiality' principle (DMA – Double Materiality Assessment).

The ESRS and the related reported indicators (disclosure requirements) are those that represent the sustainability matters assessed as material, consistent with Gnutti Group's activities and related impacts, risks and opportunities. The process of analysing, identifying, assessing and prioritising material topics, as described in the Material Topics chapter, was conducted in accordance with ESRS requirements. This process is updated and progressively developed over time as an integral part of the Company's sustainability reporting (accountability) journey.

Based on the results of the double materiality assessment (DMA), this document covers the entire upstream and downstream value chain.

The summary index of information relating to the various matters covered (ESRS Content Index), published in the appendix to the Sustainability Report and forming an integral part thereof, ensures the traceability of the data, indicators and other quantitative and qualitative information presented.

The Gnutti Group has not exercised the option to omit specific information concerning intellectual property, know-how, the results of innovation, or ongoing negotiations.

In order to enable data to be compared over time and to assess the performance of the Company's activities, comparative data for the two previous financial years are presented, even though they are not required for the first year of reporting under the ESRS standards.

Reporting scope

The reporting scope for qualitative and quantitative data and information covers the performance of the Gnutti Group, consistently with the consolidated financial statements as at 31 December 2025, for the entire reporting year (for the period from 1 January 2025 to 31 December 2025), with the following exclusions, which are not considered significant and do not have a material effect on the completeness, representativeness or understanding of the impacts and information contained in this document:

- Codafin Limited, Sarl SCIPP Ouest and Sarl Tiemme Algerie;
- SC Tiemme Systems S.r.l., Tiemme Hellas A.E.B.E. and Sistemas Tiemme S.l. are not included within the scope of social data, as homogeneous and fully comparable data are not yet available for reporting purposes.

Disclosures on specific matters

Time horizons – The Gnutti Group defines the medium-term time horizon (up to five years) in line with its strategic sustainability objectives and consistently with the provisions of the ESRS (6.4 Definition of short-, medium- and long-term for reporting purposes).

Estimates concerning the value chain - The reported metrics do not include estimated data concerning the value chain.

Causes of uncertainty in estimates and results – The process of reporting ESG performance data for certain topics requires the use of estimates by the Directors. Estimates are formulated on the basis of historical experience, primary and authoritative external sources, and through the involvement of external specialists and consultants, as well as other information deemed reasonable under the circumstances. Any use of estimates and the related methodologies adopted are expressly referenced in the various sections concerning the reporting of material topics, to which reference should be made for further details.

The quantitative metrics that are subject to uncertainty in estimates and results refer in particular to the following topics and reporting areas:

Key topics / reporting areas subject to estimates (quantitative data)	Description and impact
Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6)	GHG emissions – Scope 3 emissions along the value chain (upstream and downstream of Gnutti Cirillo S.p.A.) ▸ Uncertainties inherent in the nature and quality of the data and in the resulting measurement techniques adopted, as provided for by the GHG Protocol. ▸ Potential impact: medium
Biodiversity and ecosystems (E4-5)	Metrics relating to biodiversity and ecosystem change – Uncertainties inherent in the presence of estimates on the status of species in SAC/SPA areas. Potential impact: low

In order to mitigate the risks of errors relating to estimated ESG performance data, and with specific reference to those characterised by uncertainty, internal controls and validation processes are in place for the data and information reported.

Changes in the preparation and presentation of information – To ensure the consistency and comparability of information, where deemed necessary to correct any errors or to take account of changes in the methodology used to measure indicators or in the nature of the business, quantitative data presented for prior periods may be recalculated and restated compared with the data published in the previous reporting year. The related disclosures, recalculation criteria and effects are reported in the corresponding chapters and paragraphs.

Disclosures required by other legislation or sustainability reporting provisions – Additional disclosures beyond those required by the ESRS, which are required by other legislation imposing sustainability information disclosure obligations or by sustainability-related provisions, are included in the chapters and sections dealing with the relevant topics.

Incorporation by reference – There is no incorporation by reference, as the Sustainability Report is prepared as a separate document from the Management Report accompanying the Consolidated Financial Statements. Consequently, all disclosures are reported in full within this Report, without references to other sections of corporate documents.

Strategy and business model

ESRS Standard
ESRS 2 SBM-1

Gnutti Group

Gnutti Group is an Italian industrial group that has been active for over seventy years in the **hot forging and processing of brass** and other non-ferrous alloys. Established in the 1950s and deeply rooted in the Brescia area, the Group has developed an **international presence** over time, operating as an industrial partner for customers in more than **80 countries.**

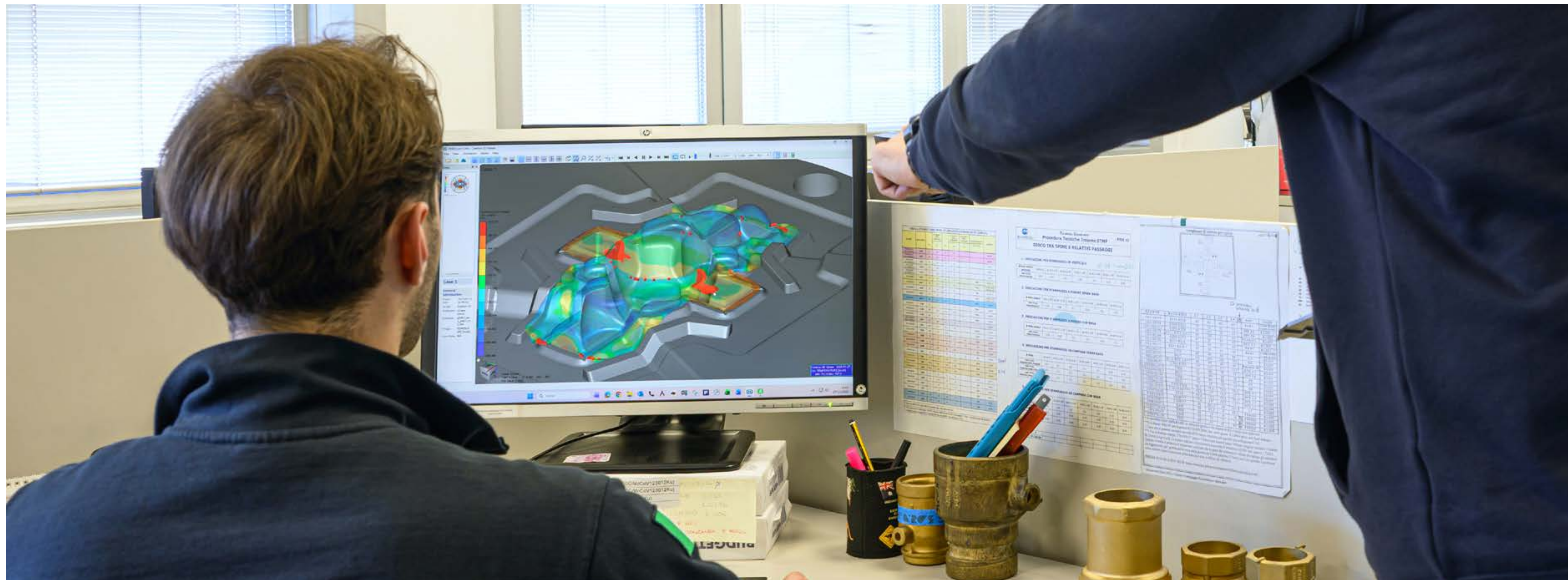
The Group operates in particular in the production of **brass semi-finished products**, in the manufacture of items for **plumbing and heating systems**, as well as in the supply of products and accessories for the **production of electrical transformers**. The technical expertise developed, combined with consolidated specialisation in forging and machining processes, forms the foundation of the Group's competitive positioning in international markets.

Purpose - Vision, Mission and Values

Through its purpose and the values underpinning it, the Group reaffirms its commitment to creating shared value over the long term, strengthening its identity and sense of responsibility:

The values that guide Gnutti Group are expressed through a number of fundamental principles.

- **People** are at the core: professional value is built on our people—an irreplaceable and precious asset for efficiency. For the Group, putting people at the centre means taking care of health and safety, promoting diversity, fostering inclusion and condemning all forms of discrimination.
- This **commitment** is reflected in a work culture passed down since 1915, which combines dedication and passion with technical and commercial development. Many years of experience are synonymous with reliability and enable us to offer targeted solutions capable of meeting any requirement of yesterday, today and tomorrow.
- **Excellence** is pursued through systematic checks covering the entire production process through to the organisation of production for our products. Thanks to constant checks, targeted tests and continuous improvements, excellence translates into advanced, efficient and transformative technological solutions capable of creating durable and sustainable products.
- **Sustainability** represents a tangible, organisation-wide commitment. Integrity, honesty and respect are prerequisites for sustainable development that focuses on the local area, the environment and social and community aspects. Within this framework, the Group operates in accordance with environmental, social and governance principles, which guide its actions and overall responsibility.



History

The history of the Gnutti Group **began in 1951**, when Cirillo Gnutti founded a small brassworking workshop, laying the foundations for an industrial organisation that, over time, has consolidated its expertise, processes and production capabilities in the non-ferrous metals sector.

With five operating companies, the Group combines many years of experience with an industrial vision, continuing to evolve to meet the needs of global markets.

1951

GNUTTI CIRILLO
, the parent company founded by Cirillo Gnutti, is established

1994

Acquisition
Tiemme Raccorderie S.p.A.

Creation of the **new machining plant** in Lumezzane (Brescia).

2000

Gnutti Cirillo inaugurates its **innovative hot forging plant in Odolo** (Brescia)

2007

Incorporation of **Metal Forming Technology Inc.**, a Michigan-based company (USA) established to serve the North American and Canadian markets

2015

Acquisition of a controlling stake in **Elettromaule Component S.r.l.**, a company operating in the power transformer sector

2023

Acquisition
Valvosanitaria Bugatti Group S.r.l.

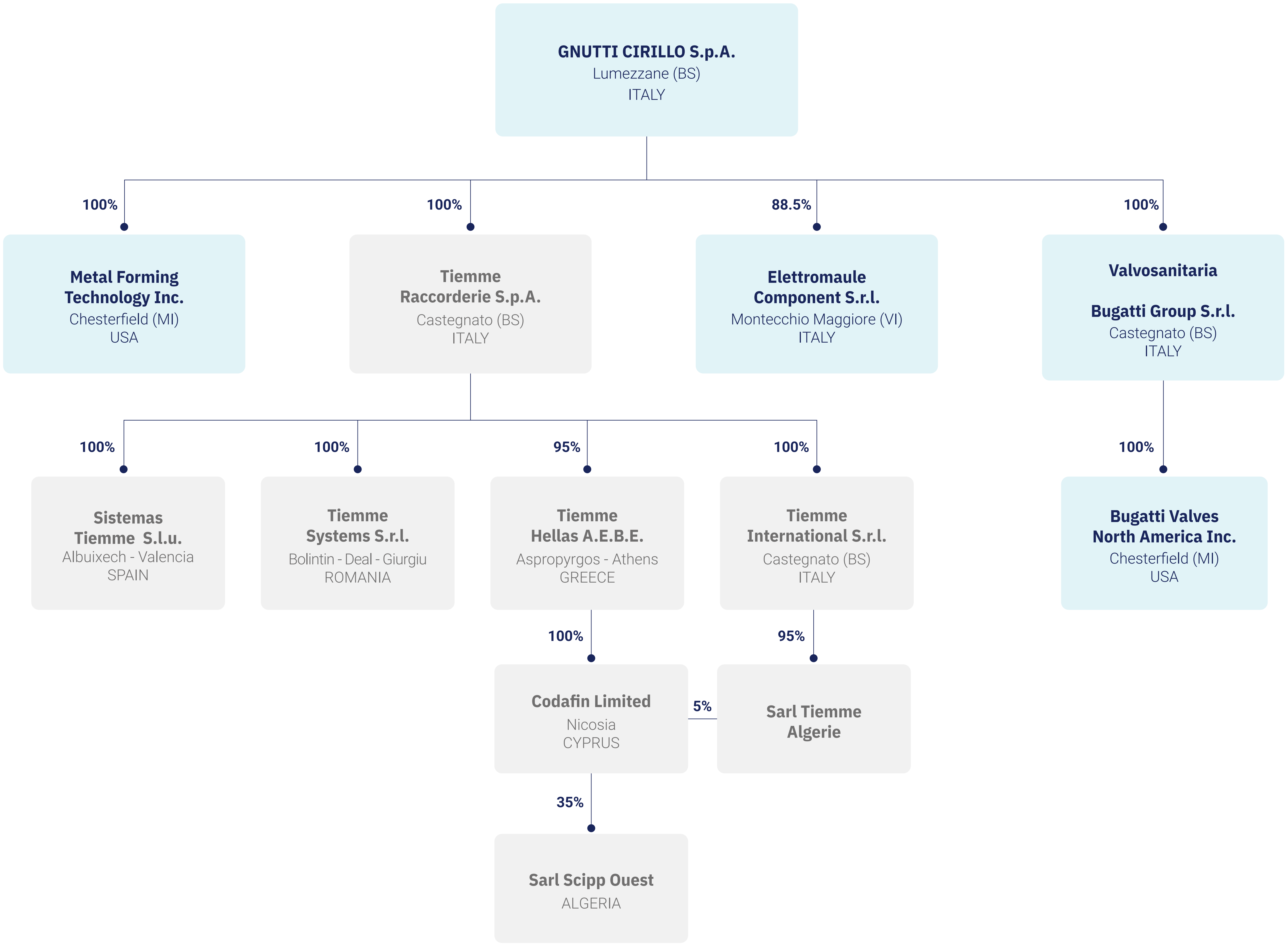
2025

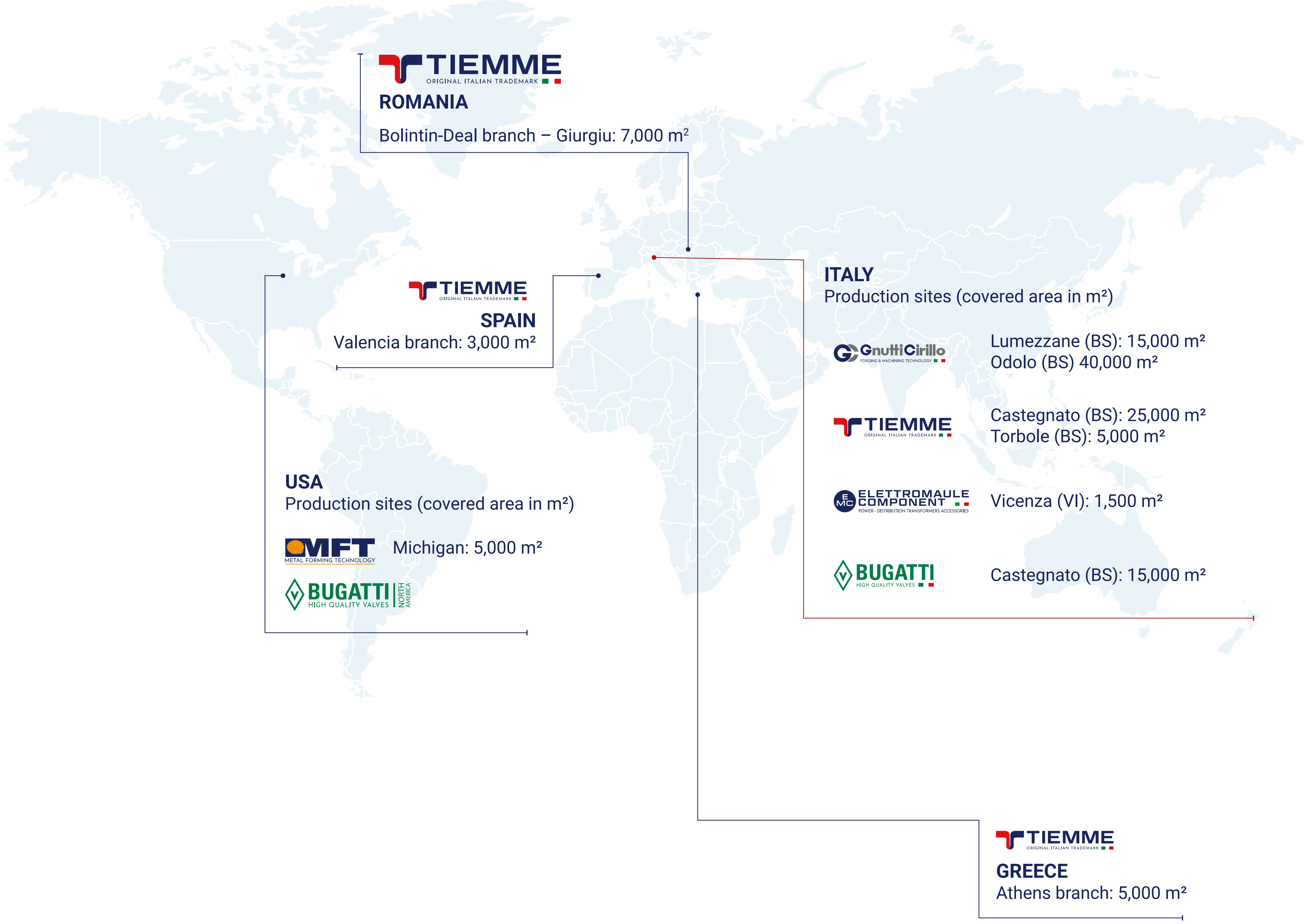
Incorporation of
Bugatti Valves North America Inc.

OGGI

Gnutti Group has an international presence in more than 80 countries

The Group structure





Gnutti Group's financial performance

Gnutti Group recorded a **profit of €16,535 thousand**, down from €24,640 thousand in the previous financial year. Sales revenue for the 2025 financial year decreased by 5.4% compared with 2024, from €298,464 thousand to €282,313 thousand.

The reduction in sales revenue was attributable to lower sales in non-EU markets, adversely affected by the protectionist policies adopted by certain countries and geopolitical tensions, as well as to the decrease in revenue of the North American subsidiary MFT Inc., which recorded lower sales volumes and whose results were significantly affected by the translation effect arising from the sharp depreciation of the US dollar.

In 2025, the Group recorded **EBITDA of €37,762 thousand**, representing 13% of the value of production, and operating profit of €24,508 thousand.

Strategy - commitments

ESRS Standard
ESRS 2 SBM-1

The sector: market scenarios and trends

Non-ferrous metals in Europe: strategic role and development prospects

The European non-ferrous metals sector is at the centre of the main industrial transformations taking place at European and global level. Against the backdrop of the European Union's twin energy and digital transition and developments in the geopolitical landscape, these materials are becoming increasingly strategically important.

According to Eurometaux[1], the European association of the non-ferrous metals industry, key technologies such as wind turbines, solar panels, batteries, electric vehicles and digital infrastructure depend directly on the use of metals such as aluminium, copper, zinc, nickel, gallium and platinum. The same materials play a significant role in the production of defence equipment.

In recent years, **Europe's non-ferrous metal production and processing capacity has declined**, with twenty aluminium, silicon and zinc plants closing since 2020. This trend comes amid an opposing phase of demand growth, which requires the strengthening of mining, refining, smelting and recycling activities to support Europe's industrial and climate objectives. Restoring the sector's competitiveness is achieved first and foremost through the reduction of production costs[2], particularly energy costs.

Other relevant factors for the sector include:

01 Access to the European market

The sector operates within a complex regulatory framework, in which the REACH Regulation (Regulation (EC) No 1907/2006) is the main point of reference. The review scheduled for 2025 and the evolution of the Ecodesign Regulation highlight the need to ensure consistency between regulatory objectives, he specific characteristics of metals and competitive conditions in the European market.

02 Energy costs

Given the sector's high energy intensity, electricity costs are a key factor in competitiveness. Price differentials compared with other international markets and developments in regulatory instruments, including the CBAM, are key issues for the sector.

03 Need for financial resources

The path towards climate neutrality by 2050 requires significant investment. In this context, it is essential to ensure a balance between environmental objectives, economic sustainability and industrial competitiveness.

04 Security of supply

Strengthening raw material security is a strategic priority. The Critical Raw Materials Act is an important reference framework, whose effectiveness will depend on its practical implementation and the support instruments available.

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1 Eurometaux, 'A European Metals Action Plan Fit for the Energy and Digital Transitions and Europe's Defence: A Call for Urgent and Lasting Action'.
2 ibid.

In the international context, the sector faces competitive dynamics characterised by active industrial policies, production overcapacity and public support instruments that affect market balances and trade flows. In this context, the effectiveness and timeliness of trade defence instruments play an important role in ensuring fair competitive conditions.

A further **area of focus concerns the management of metal scrap flows to countries with different environmental standards**, an issue closely linked to maximising the use and value of recycled materials and retaining strategic raw materials and their associated energy value within Europe. At the same time, the sector continues to account for a significant component of skilled employment in Europe; achieving the objectives of the *Critical Raw Materials Act* will require investment in training, reskilling and skills development.

In this context, **copper** is a metal of particular relevance due to its contribution to the electrification, decarbonisation and industrial development processes of the European Union.

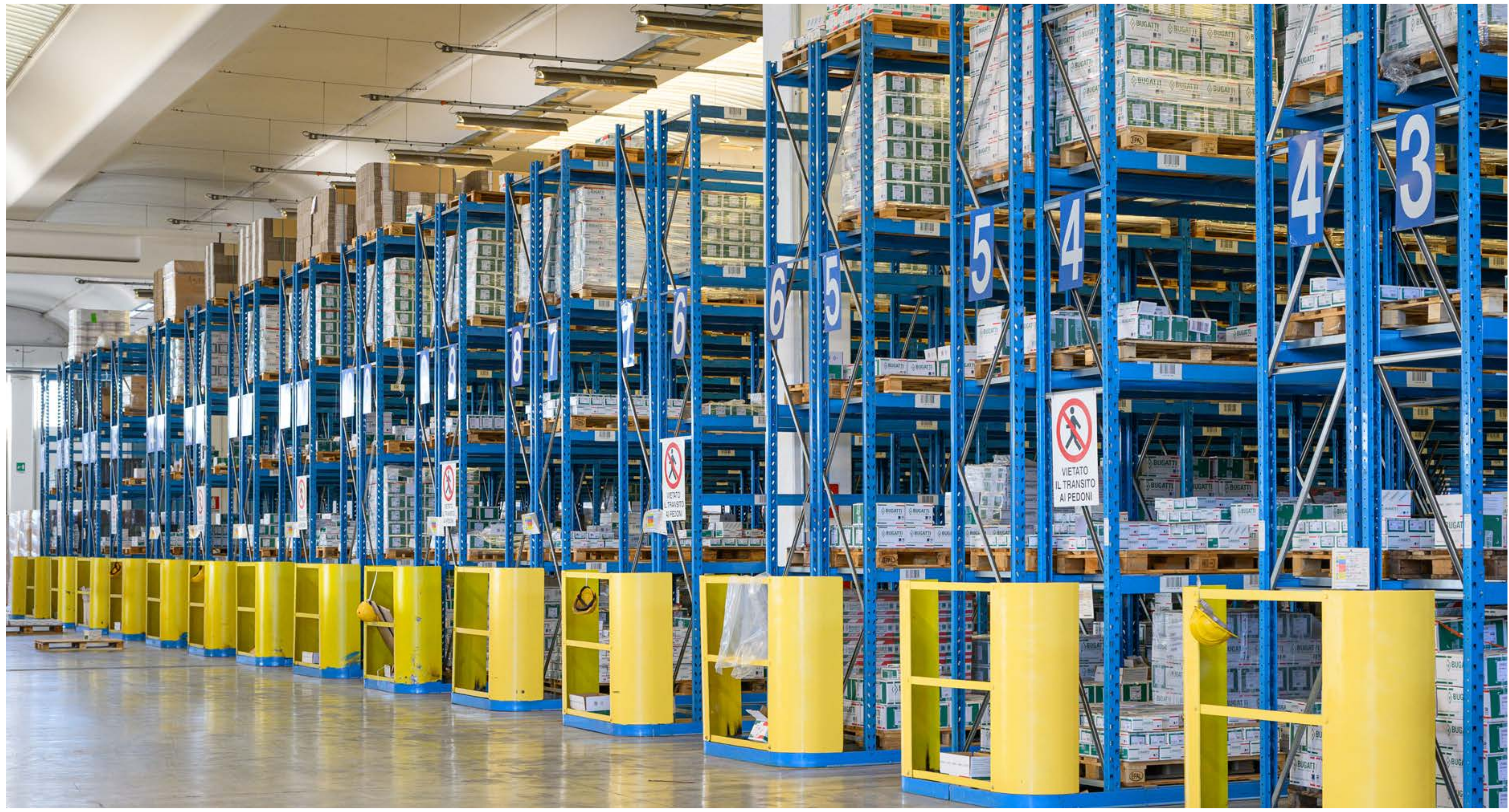
The copper industry in the EU's climate and industrial transition

The copper industry is a key pillar of the European Union's transition towards a climate-neutral and resilient economy. As a strategic raw material, copper is essential for the **electrification of production and consumption systems**, for **improving energy efficiency** and for the development of **renewable energy**. Its production enables the generation of other critical raw materials, including cobalt, rhodium and palladium, further strengthening its role in strategic value chains. Given the central role of copper in decarbonisation technologies, demand in the EU is set to grow significantly, with an estimated increase of 350% by 2050.

At the same time, the sector is committed to **reducing the environmental and social impact** of its activities. The members of the International Copper Association have committed to achieving net-zero greenhouse gas emissions for Scope 1 and Scope 2 by 2050, based on an in-depth analysis of the technologies and conditions required to decarbonise production[3]. The copper industry aims to contribute to the resilience of the European Union through the development of additional mining, refining and recycling capacity both within the EU and internationally, applying high standards of environmental protection and local community development.

This journey is based on a number of key elements:

- the **resilience** and **competitiveness** of strategic net-zero value chains;
- the need for a **stable regulatory framework** that is consistent and conducive to investment;
- **recycling**, which is essential to support economic sustainability;
- the **simplification of permitting procedures** for extraction, refining and recycling within the EU;
- the **strengthening of partnerships** with third countries;
- access to **decarbonised energy** at competitive prices and in sufficient quantities.



[3] International Copper Association Europe, "An industrial plan for strategic net zero value chains to deliver a resilient, climate-neutral EU".

The Drinking Water Directive

The European Union adopted Directive (EU) 2020/2184 (the '**Drinking Water Directive**' – DWD) to update the regulatory framework governing the quality of drinking water and introduce harmonised requirements for materials that come into contact with water intended for human consumption, including taps, valves, fittings, pipes and metal components. Article 11 of the Directive states that such materials must not compromise human health, alter the colour, odour or taste of the water, promote microbial growth or release contaminants above the levels necessary for the intended purpose. The Directive envisages the adoption of 'European positive lists' (EU Positive List - EUPL) of permitted materials and harmonised testing and certification procedures for metallic and non-metallic materials.

One material impact concerns the market for taps and metal components containing lead: European legislation aims to progressively reduce the release of lead into drinking water and restrict the use of alloys with a high lead content, **thereby promoting the transition to 'lead-free' or low-lead brass**. For European manufacturers and suppliers, this entails investment in new alloys, migration testing, certification and the adaptation of production supply chains, with direct effects on the compliance requirements for products placed on the EU market4. From 31 December 2026, European requirements for materials and products in contact with drinking water will enter into force, including valves, fittings and other system components. In Italy, the Directive was transposed by Legislative Decree 18/2023, while national provisions on materials in contact with drinking water, such as Ministerial Decree 174/2004, also continue to apply, pending completion of European harmonisation.

[4] DIRECTIVE (EU) 2020/2184 of the European Parliament and of the Council

Plumbing and heating sector in Italy: trends, challenges and key segments in 2025

At the press conference for MCE – Mostra Convegno Expocomfort 2026[5], an in-depth analysis of trends in the building services sector was presented, highlighting a downward trend in progress since 2023. The segment is reported to have recorded a decline in performance compared with 2024, in a complex and competitive economic environment for Italian companies. Forecasts indicate that 2025 will close with a 2.2% contraction compared to the previous year, with total revenue reaching €16.43 billion. The analysis covers the main segments of the building services sector.

The **building services and construction sector** remains a cornerstone of Italian manufacturing, combining a strong manufacturing tradition with technological innovation. In this context, **comfort technologies** continues to demonstrate resilience and adaptability. Despite the market adjustment following the end of the incentive schemes, the Italian construction sector remains a strategic area for the **energy transition**. Indeed, 2025 opens with growing attention to **efficiency**, **systems automation** and the **sustainability of systems**.

Equipment and components for heating systems:

- production of **€3.7 billion in 2025**, slightly down on 2024 (**-1.9%**)
- sector exports estimated at **€1.8 billion**, with a contraction of **2.7%**

Air-handling equipment and systems:

- production of almost **€3.9 billion in 2025**, down **3.8%** year on year
- exports of **€1.7 billion**

Domestic water systems:

- production of **€350 million (-2.8%)** in 2025
- exports of **€133 million (-1.5%)**

Industrial water systems:

- total production of **€485 million (-1%)** in 2025
- exports of **€242 million (-1.2%)**

Valves and taps:

- revenue of **€9.33 billion for 2025**, down **2.3%** compared with 2024
- **€6.05 billion** allocated to exports

[5] Anima Confindustria, MCE - Mostra Convegno Expocomfort 2026 press conference, 'Plumbing and heating sector: export and domestic market decline continues'.

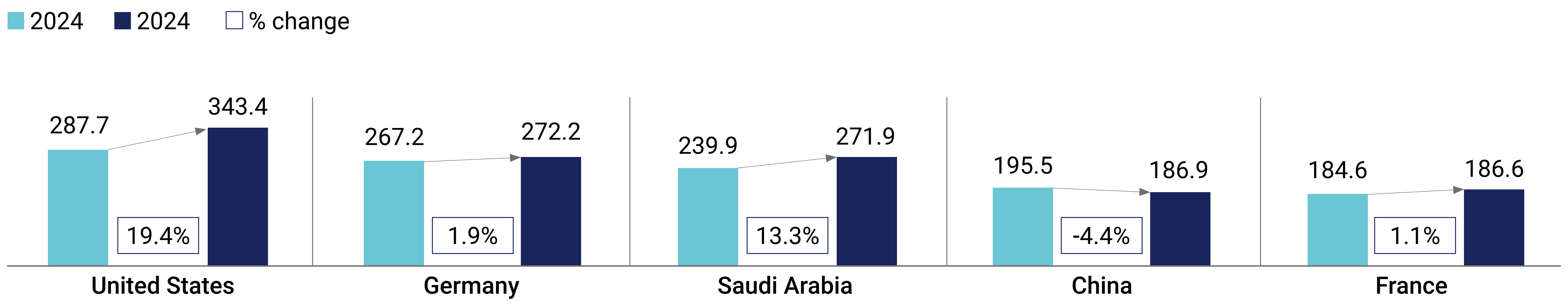
Trends in the valves, taps and fittings sector in Italy

The Italian **valves, taps and fittings** sector confirms its status as a **strategic pillar of the country's manufacturing industry**, with a **value approaching €10 billion**. In **2024**, **revenue** reached **EUR 9.55 billion**, up **1.8%** compared with 2023, while **exports**, which represent **63% of total revenue**, continue to be the main driver of development. In the first half of 2025 as well, exports recorded a **4.6% increase**, exceeding €3 billion. The United States is once again the leading destination market, but the outlook for 2026 is marked by concerns linked to tariffs.

Valves and taps are essential components in numerous areas, from the energy sector to residential housing, through to industrial plants and infrastructure. With approximately **500 industrial enterprises** and **30,000 employees**, **Italy** confirms its position as a global centre of excellence: it is the **second-largest European market** by size after Germany and ranks among the top six worldwide, alongside Germany, the United States, China, Japan, and Korea.

In 2024, the sector consolidated its growth, driven primarily by exports. In the **first half of 2025**, **exports** increased by **4.6%** compared with the same period of the previous year. Looking at the main destination countries, the United States ranked first both by export share (11.3%, amounting to €343.4 million) and by growth (+19.4%). This was followed by Germany, with a share of 8.9% (€272.2 million, +1.9%), and Saudi Arabia, also at 8.9% (€271.9 million, +13.3%). China moved against the trend, with a share of 6.1% (€186.9 million) recording a decline of 4.4%[6].

Top 5 export destination countries - First half of 2025 (January-June period)

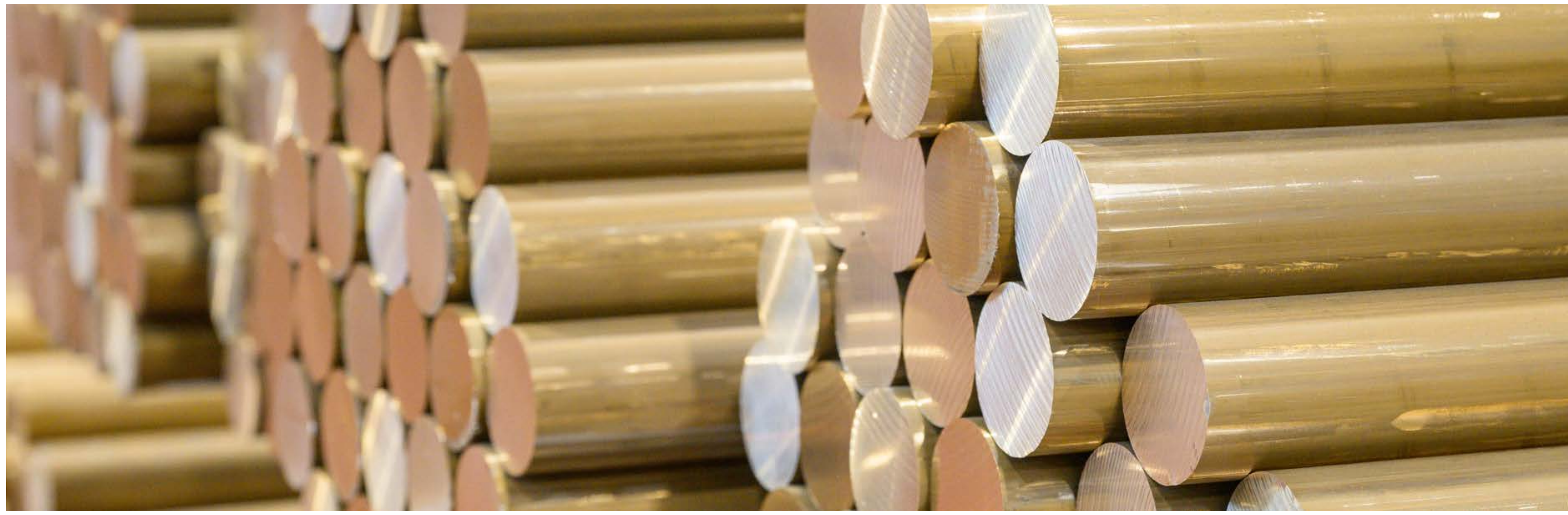


Exports in the first six months for the valves and taps sector - Main destination countries

Alongside these positive signs, however, some critical issues remain that could affect companies' competitiveness. Among the opportunities, the **trade agreement between the European Union and the Mercosur countries** opens up **new avenues for growth** through the gradual elimination of tariffs on more than 90% of industrial products, offering the Italian sector the opportunity to strengthen its presence in South America, particularly in Brazil and Argentina, and to diversify export flows.

From a **risk** perspective, **uncertainty** surrounding **potential tariffs imposed by the United States**—the sector's primary export market—is a **key concern**, as it could lead to a revenue decline in the coming years that is currently difficult to quantify. Added to this are the **excessive administrative and customs burden**, the **structural shortage of qualified personnel**, particularly technical staff, the **impact of changes in the regulatory framework**, the **strengthening of the euro against the dollar** and the **significant increase in the price of copper**, which is expected to persist over time.

A further challenge concerns the **energy sector**: the **cost of energy**, among the highest in the European Union, has a direct impact on the competitiveness of Italian companies. Nuclear power, hydrogen and the transition to clean energy sources therefore represent key areas for action to strengthen the sector's position in the international context.



[6] Annual members' meeting of AVR, the Italian Association of Valve and Tap Manufacturers federated with Anima Confindustria, 24 October 2025.

Business model

ESRS Standard
ESRS 2 SBM-1

The Gnutti Group’s business model is based on an **integrated and self-sufficient** production process covering the entire transformation cycle: from raw material management to the design and manufacture of dies, from forging to machining, through to assembly and delivery of the finished product. **The Group combines the manufacture of OEM solutions, using hot forging of brass and other non-ferrous metals, with the supply of technical components for the plumbing, heating and electrical sectors.** The experience gained in different production environments has enabled the Group to consolidate cross-cutting know-how, based on its ability to adapt processes, materials and technical expertise to the specific requirements of each application. Production is mainly carried out to the customer's technical drawings, through made-to-order supplies for third parties and, in part, through own-brand products.

The Group’s structure—comprising specialized companies with complementary and synergistic roles—enables it to oversee every phase of the production process, ensuring high quality standards in line with the needs of its customers and target markets. The Group provides technical support, design consultancy and ongoing assistance in operational activities, with the aim of offering high-quality, competitive products that fully meet market requirements.

GIULIANO GNUTTI HOLDING

OEM

- GnuttiCirillo – Forging & Machining Technology: It operates worldwide as a leading player in the hot forging and machining of brass and other non-ferrous materials.
- MFT – Metal Forming Technology: It manufactures hot-forged brass products machined to customer specifications for the US and Canadian markets.

Plumbing and Heating

- TIEMME – Original Italian Trademark: It offers an advanced and comprehensive range of plumbing and heating products, components for heating systems and chrome-plated tapware.
- BUGATTI – High Quality Valves: It manufactures ball valves for water and gas, fittings, taps and components for heating systems.

Electrical

- Elettromaule Component – Power - Distribution Transformers Accessories: Designs, manufactures and markets accessories for distribution and electrical transformers

Gnutti Group products

Gnutti Cirillo and MFT operate primarily on a made-to-order basis, developing and manufacturing customised solutions to meet customer requirements, with a wide range of products intended for various industrial sectors.

The products manufactured by Gnutti Cirillo include:


Fittings and connectors


Ball valves

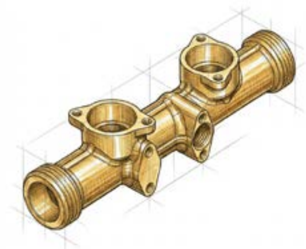

Valves and control systems


Other valves

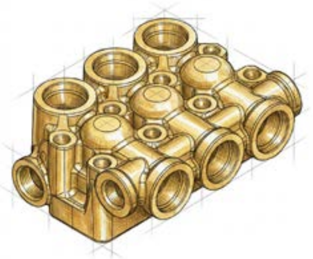

Reducers and regulators


Filters and fluid treatment

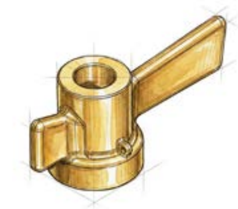

Meters and measuring instruments


Ultrasonic meters


Manifolds

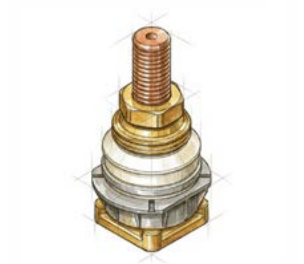

Pumps and guns for pressure washers


Nut and sleeve kits


Manual controls


Special couplings


Components for fire-fighting systems


Components for transformers

Tiemme Raccorderie and Valvosanitaria Bugatti have a distinctive market positioning compared with the other Group companies, whose activities are primarily focused on manufacturing to customer specifications. Both companies also market products **under their own brands**, while retaining a direct role in defining the product range and developing the products' technical characteristics, in line with evolving market demand. Tiemme Raccorderie operates in both domestic and international markets with **over 18,000 products in its catalogue**. The product offering mainly comprises plumbing components, central heating and metering systems, radiant systems, and taps and fittings. Valvosanitaria Bugatti's product range focuses on ball valves for water and gas, fittings and other components for plumbing and industrial applications.

Valvosanitaria Bugatti catalogues:

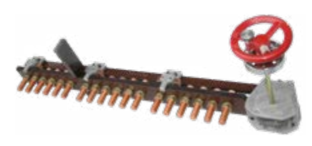
- Products
- Waterworks
- Taps

Tiemme catalogues:

- Plumbing components
- Radiant systems
- Central heating and metering systems
- Taps

Elettromaule Component markets electrical accessories and offers a comprehensive range of products, including bushings, tap changers, pressure relief valves, oil level indicators, dehydrating breathers and other accessories for the electromechanical sector.


Bushings


Tap changers


Valves


Oil level indicators


Dehydrating breathers


Accessories

Sites and facilities

Gnutti Group operates through an extensive network of sites and production facilities across Italy and internationally. The main operating facilities and operational sites of the Group companies are listed below.

Company	Location	Facility size	Operations & Activities
Gnutti Cirillo	Lumezzane (BS)	15,000 m²	Administrative offices – Sales offices – Manufacture of dies and tooling – Machining – Assembly
	Odolo (BS)	40,000 m²	Hot forging of brass
MFT	Michigan (USA)	5,000 m²	Production site – Logistics and customer care centre for Gnutti Cirillo serving the North American and Canadian markets
Tiemme	Castegnato (BS)	25,000 m²	Registered office – Sales offices – Machining – Assembly – Pipe production – Warehousing and logistics
	Torbole Casaglia (BS)	5,000 m²	Production of chrome-plated taps
	Bucharest, Romania	5,000 m²	Sales offices – Warehouse and logistics
	Athens (Greece)	5,000 m²	Sales offices – Warehouse and logistics
	Valencia (Spain)	3,000 m²	Sales offices – Warehouse and logistics
Valvosanitaria Bugatti	Castegnato (BS)	10,500 m²	Operating site – Sales offices – Machining – Assembly – Production of ball valves for water and gas, heating components and fittings
	Castegnato (BS)	7,500 m²	Warehouse and logistics
	Michigan (USA)	5,000 m²	Production site – Logistics and customer care centre for the North American and Canadian markets
Elettromaule Component	Montecchio Maggiore (Vicenza)	1,500 m²	Design, manufacture and sale of accessories for distribution and electrical transformers

Gnutti Cirillo S.p.A.

Gnutti Cirillo was founded in 1951 by Cirillo Gnutti as an engineering company specialising in the manufacture of equipment and dies. Today, it is a global leader in **hot forging** and **brass machining**. Gnutti Cirillo has developed a high level of technical expertise that enables it to meet market demands thanks to its self-sufficiency throughout the production chain, from design and the entirely in-house manufacture of equipment and tooling, to hot brass forging, machining, automated assembly and finished product packaging, all customised to customer specifications.

MFT - Metal Forming Technology Inc.

Metal Forming Technology Inc., located in the state of Michigan (USA), was established in 2007 following the Group's internationalisation process. The company has achieved high efficiency standards in the production of **hot-forged brass articles**, manufactured according to customer specifications. The Company also acts as a logistics and customer care centre on behalf of Gnutti Cirillo for the North American market.

Tiemme Raccorderie S.p.A.

Tiemme, a company that manufactures and distributes **fittings**, **brass valves** and **pipes**. In 1994, it joined the Group and subsequently evolved through the development of **integrated systems** for heating applications. In 2012, '**Tiemme Lab**', Tiemme's innovative thermotechnical laboratory, was established at its Castegnato site. The subsidiaries aim to meet the demands of an increasingly broad and discerning market by adopting an increasingly international outlook.

Valvosanitaria Bugatti Group S.r.l.

Valvosanitaria Bugatti was founded in 1948 in Lumezzane (BS), focusing its activity on the production of taps. Over time, it specialised in the **manufacture of ball valves** and, in 2023, became part of the Gnutti Group. Today, the company is an internationally recognised manufacturer of ball valves for water and gas, fittings, taps, and components for heating systems.

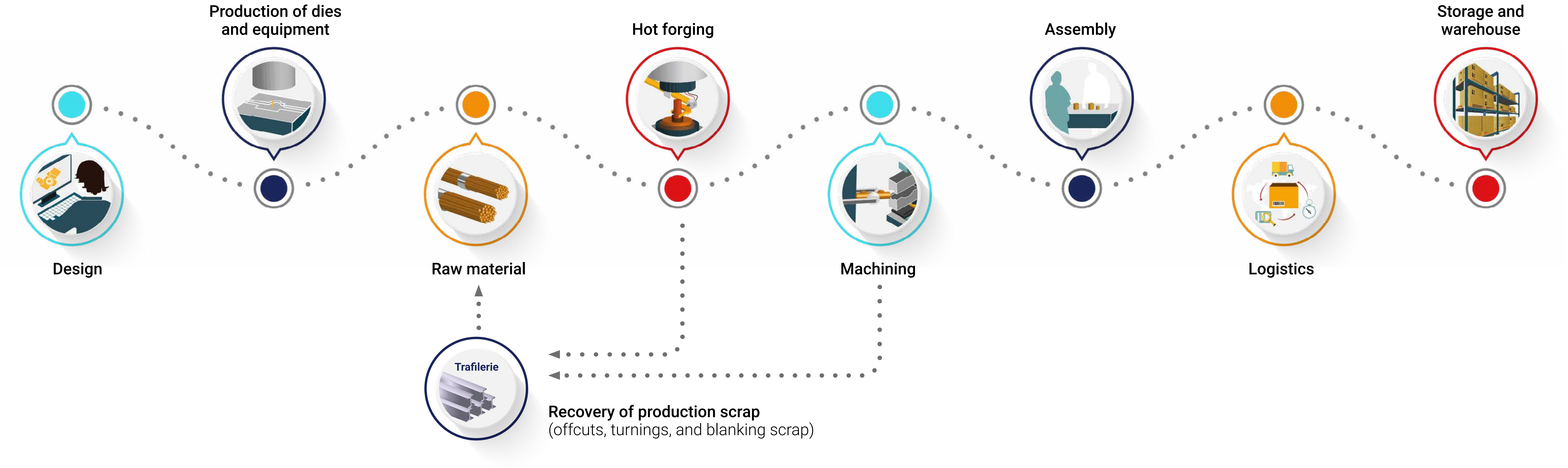
Elettromaule Component S.r.l.

Elettromaule Component S.r.l. was established in 2011 and specialises in the **design**, **manufacture** and **sale** of accessories for distribution and electrical transformers. Thanks to an integrated offering, EMC Component aims to be a partner of choice for transformer manufacturers, ensuring quality, reliability and continuity of supply.

The production process

Gnutti Cirillo

The production process of **Gnutti Cirillo** is carried out at two main plants, **Odolo** and **Lumezzane**, and includes hot forging of brass, machining, any required surface treatments, assembly and packaging.



The production process begins with the design and manufacture of dies, as well as the in-house production of equipment and tooling, ensuring flexibility and the ability to develop components in a wide variety of shapes and sizes. This integrated, customer-focused approach has helped consolidate Gnutti Cirillo's leadership in the manufacture of brass OEM products. Specifically, **Gnutti Cirillo**'s production process is structured across two main plants, **Odolo and Lumezzane**, and comprises brass hot forging, machining, optional surface treatments, assembly, and packaging.

Cutting and graphiting

The raw material consists of brass bars of various diameters and sizes and is stored in dedicated areas. The bars are then transferred to the automatic cutting department, where they are cut into sections of the required length for subsequent manufacture of the component. The sections are placed in metal bins and transferred to the graphiting department, where graphite is applied using automated equipment; the graphite acts as a lubricant for the subsequent forging stage.

Hot forging

Forging operations are carried out using hot presses. All presses are enclosed in dedicated protective, soundproofed cabins. The forged parts are again collected in metal containers and taken to the cutting department for finishing operations (removal of burrs). Within the department there are both manual and automatic blanking machines.

Sandblasting

According to customer requirements, forged and deburred parts can be subjected to a sandblasting surface treatment to clean the surface of the part, as well as to give the forged part a special appearance. Blasting can be carried out using grit or brass turning (brass-plating). In some cases, the customer may request other surface treatments (e.g. electroplating); in such cases, the parts are sent to subcontractors to carry out the required operations. The parts are then ready for the subsequent machining and assembly operations, which are carried out at the Lumezzane plant.

Machining

Machining of semi-finished products is carried out using transfer machine tools of various generations. During machining with chip removal, cutting fluid is used to aid the cooling and lubrication of cutting tools. This fluid is produced within the plant, either by mixing water and oil, or by reusing the suitably purified used emulsion. Each transfer machine is equipped with an on-board water washer for washing the machined parts.

Packing and packaging

Subsequently, the parts are assembled and mounted automatically using assembly machines (alternatively, they are assembled manually), followed by packaging carried out by automatic packaging machines. In general, the machined and/or assembled parts are packed and placed on pallets for subsequent shipment to customers.

Material recycling: from waste to raw material

At the conclusion of this process, production scrap (offcuts, turnings, and stampings) generated by hot forging and machining activities is recovered and sent to drawing mills, where it is converted back into raw material. Gnutti Cirillo's production process is primarily circular: the company purchases brass bars and other non-ferrous materials sourced from scrap and recycled materials, processes them, and returns the resulting production scrap to the wire-drawing mills for remelting and reintroduction into the production cycle, thereby reducing the consumption of virgin raw materials and preventing waste from being dispersed into the environment.

Valvosanitaria Bugatti and Tiemme

The production process of **Valvosanitaria Bugatti and Tiemme** includes machining, packing and packaging, and material recycling.

Elettromaule Component

As a trading company, Elettromaule Component’s process consists of the supply of electrical bushings and tap changers, comprising components made of different materials and sourced from different locations. In particular, for the bushings, the brass component is sourced from Gnutti Cirillo, while the ceramic part and other components are sourced from other suppliers.

The Company markets a significant proportion of products (approximately 60–70%) not originating from Gnutti Cirillo, operating in a separate market and on a commercial basis. This structure enables the integration of procurement and sales activities for components and finished products sourced from different supply chains.

The value chain

Gnutti Group's value chain is structured around an integrated process encompassing the entire industrial cycle, from the procurement of raw materials through to the distribution of finished products and end-of-life management. The Gnutti Group operating model is structured into three main phases – upstream, direct and downstream – comprising, respectively, **procurement**, **processing activities** and **distribution**. This structure enables the Group to manage the main stages of the value chain in a coordinated manner, ensuring operational continuity and consistency throughout the production process.

Logistics

Procurement

- **Purchase of raw materials** Procurement of the brass and non-ferrous metals required for production from reliable suppliers.
- **Purchase of ancillary materials** required to maintain the quality of production processes: fastening equipment, measuring instruments, chemicals, lubricants and abrasive materials.

Upstream

Processing

- **Forging and machining** During hot forging, brass and other non-ferrous metals are shaped using advanced processes, ensuring optimal shapes and dimensions. The components subsequently undergo machining operations, such as milling and turning, to meet the specifications required by customers.
- **Warehouse management and intra-group transport** Organisation and monitoring of stocks and finished goods, management of product transfers to the Group's various plants.

Direct

Distribution

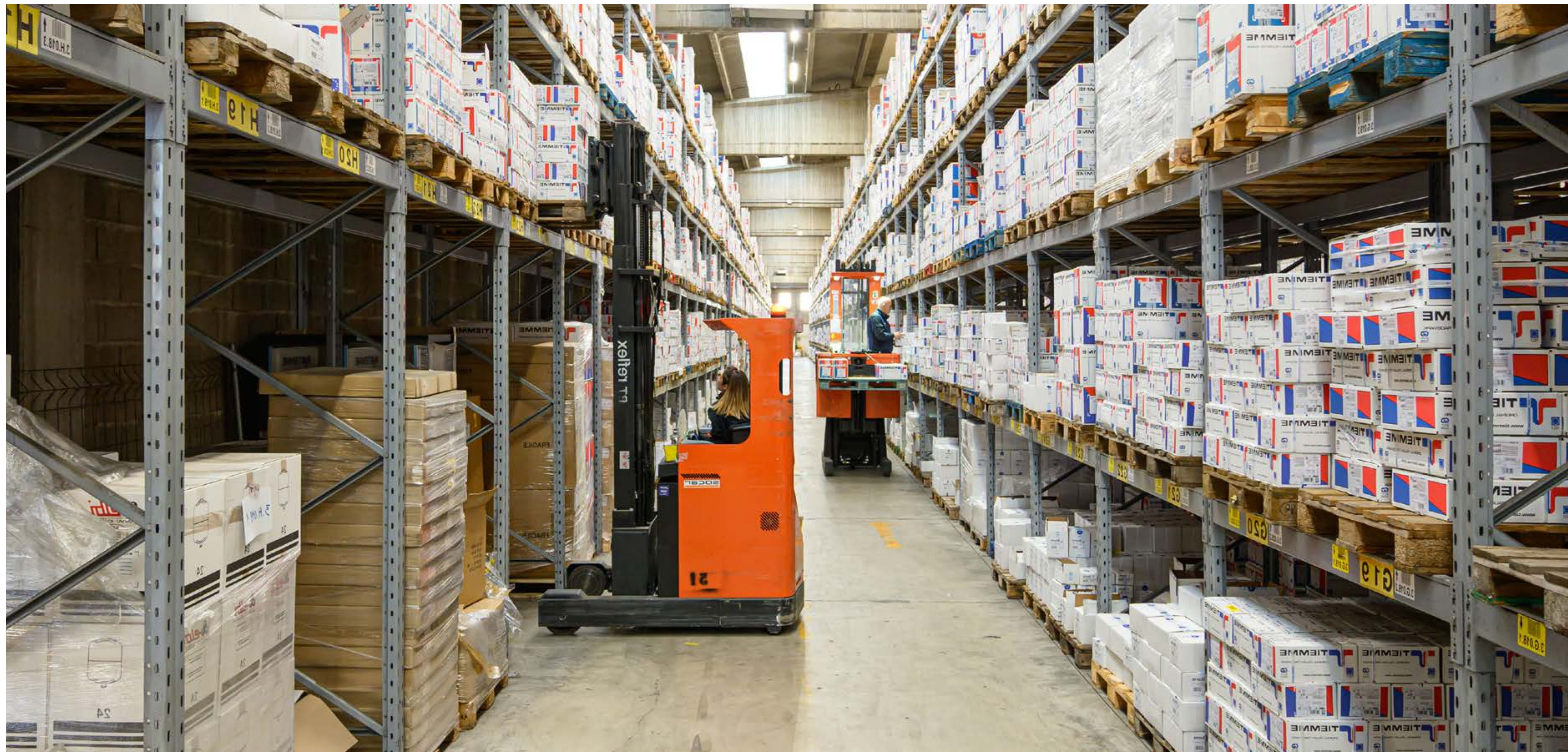
- **Distribution to customers** Finished goods are distributed to customers' warehouses or to Group companies responsible for distribution.
- **Distribution across markets** Once customers have received the products, they arrange for any assembly or distribute them directly to end customers for use.
- **End of life** Once products reach the end of their life cycle, most are recycled through scrap processors or wire drawing mills. After separation, the scrap is melted down again into new brass bars.

Downstream

Suppliers

The Gnutti Group's supply chain includes suppliers operating in various areas in support of the Group's production, industrial and logistics activities. In particular, **suppliers include operators involved in the supply of raw materials and related processing activities**, including wire-drawing mills, as well as intermediaries, including scrap dealers.

The supply chain also includes specialised providers of maintenance services for industrial plant and machinery, as well as suppliers of outsourced processing services, including both machining and surface treatments, such as nickel plating. The supply chain also includes suppliers of new industrial plant and machinery, including transfer machines and graphiting machines, as well as suppliers of packaging materials, such as pallets and wrapping paper. Gnutti Group works with logistics and transport service providers for goods handling and shipping activities.



Customers and markets served

The variety of markets served has contributed to the development of an approach focused on design flexibility, production precision and the reliability of the solutions delivered.

The Group continuously invests in building and strengthening client relationships, adopting an approach based on trust, service quality, and innovation. Gnutti Group has established relationships with leading industrial operators active in various manufacturing sectors, for which it develops and manufactures bespoke technical components. Over the years, the Gnutti Group has built strong, long-standing partnerships with **key national and international players**.

Customers are manufacturers of equipment and systems that integrate the components supplied by the Group into their finished products. The business is carried out in national and international markets, with supplies intended for industrial organisations operating in different geographical areas.

Research and development

During financial year 2025, Gnutti Cirillo, Tiemme and Elettromaule Component engaged in research and development activities and directed their efforts towards projects deemed particularly innovative.

Gnutti Cirillo

Project 1	Technological innovation activities Development of new process solutions
Project 2	Industry 4.0 digital innovation activities

The projects were carried out at the Lumezzane and Odolo plants.

For the development of the projects referred to above, the Company incurred costs totalling €536 thousand, in respect of which it intends to claim the benefits available under the tax credit for research, development, technological innovation, design and aesthetic conception activities pursuant to Article 1, paragraphs 198–209, of Law No. 160 of 27 December 2019.

Tiemme

Project 1	Development of new products
Project 2	Industry 4.0 digitalisation

The first project involves the development of new products in the areas of plumbing components, central heating and metering systems, radiant systems, and taps and fittings; the second project, by contrast, consists of technological innovation activities aimed at achieving Industry 4.0 digital innovation objectives, particularly through the development of a new system for the digitalisation and management of technical and commercial product information.

These projects were developed at the Castegnato and Torbole Casaglia production facilities. For the development of the projects, the Company incurred eligible costs totalling €907 thousand, in respect of which it intends to claim the benefits available under the tax credit for research, development, technological innovation, design and aesthetic conception activities pursuant to Article 1, paragraphs 198–209, of Law No. 160 of 27 December 2019.

Elettromaule Component

Project 1	Development of new products

The Company launched a project at its Montecchio Maggiore production facility aimed at developing new products and incurred eligible costs of €21 thousand. The research activities in question will continue during the financial year 2026.

Investments

During the year 2025, the companies of the Group continued the modernisation, renovation and replacement of plant and machinery in their factories. These activities resulted in investments of €1,015 thousand in land and buildings and €6,805 thousand in plant and machinery. The companies also made investments in equipment required for the production of their products, in particular dies and special tools for the machining departments, amounting to €1,426 thousand, and in other assets amounting to €1,125 thousand.

During the 2025 financial year, as part of a broader project to digitalise business processes, Tiemme and Gnutti Cirillo invested €775 thousand in software and related advance payments.

Strategic planning

To address increasing production volumes and growing market complexity, Gnutti Cirillo introduced a new solution for integrated production planning and management. The project aims to improve coordination between plants, reduce the time spent on planning by 40% and improve on-time delivery. Thanks to better use of resources, inventory levels are expected to be reduced by 20% and machine downtime to decrease, resulting in improved plant utilisation. The new system will enable faster responses to customers and support business growth without increasing the planning staff.

Gnutti Cirillo is embarking on a technological innovation journey through the adoption of **artificial intelligence (AI)-based solutions**. The objective is to enhance operational efficiency and support faster, more accurate decision-making processes. The adoption of AI represents a strategic step towards increasingly digital and competitive management. With the introduction of business intelligence tools, many printed reports, or reports that could have been printed from PDFs sent automatically by email, have been eliminated in favour of always-online, up-to-date access via the cloud.

Digitalisation

The **Digital Transformation Team** is responsible for driving the Group's digital transition by gathering the requirements of the various functions, identifying the most suitable tools, organising projects in coordination with suppliers and deploying the solutions.

The team works closely with the heads of company departments, analysing workflows and identifying solutions—both in terms of processes and technology—to improve the efficiency and effectiveness of the organisation.

Stakeholders: interests and expectations

ESRS Standard
ESRS 2 SBM-2

Stakeholders are defined as individuals or groups with interests or expectations in relation to an undertaking, who may be subject, directly or indirectly, to positive or negative impacts arising from the Company's activities and related interactions along the value chain.

Gnutti Group establishes, develops and maintains relationships with its stakeholders over time, with the aim of consolidating these relationships and, consequently, strengthening its competitive position and its ability to generate and distribute value over the long term. Stakeholder engagement and dialogue constitute an activity aimed at identifying the interests, expectations and needs of the various categories involved, in order to support a decision-making process that is more informed, effective and consistent with the organisation's strategic objectives. The Group bases its relationships with stakeholders on principles of good faith, fairness, loyalty and transparency.

Stakeholder engagement

Stakeholder identification was carried out on the basis of the sector of activity, the adopted business model, the established system of relationships, and the geographical distribution of operations.

Stakeholder engagement is an integral part of the Group's due diligence process, also serving to identify and assess material sustainability topics. Indeed, this process is aimed at understanding the mechanisms needed to identify and assess actual and potential adverse impacts, which inform and guide the sustainability reporting process.

For the Gnutti Group, **stakeholder engagement represents a systematic and integral activity within its business model**, independently of the present reporting. As part of this listening and interaction process, specific engagement initiatives were promoted, aimed at gathering and analysing stakeholder expectations and ensuring they are taken into consideration in corporate decision-making processes.

The framework of tools through which the Group manages relations with its stakeholders is outlined below, broken down according to the various categories of stakeholders. Further details on the activities and the organisational arrangements for stakeholder engagement initiatives are provided in the specific sections of the ESRS topical standards.

In continuity with the stakeholder engagement analysis conducted last year, the interests, expectations, and needs previously identified have been considered valid for the Double Materiality assessment. Building on the process initiated in the previous financial year, the Group confirms its intention to resume and consolidate this activity in the future, in order to ensure it remains updated and aligned with the evolving context and stakeholder expectations.

Stakeholder Gnutti Group	Engagement activities Projects - Initiatives - Relationships	Expectations and interests
Shareholders	Shareholders' Meeting - Board of Directors	Value growth, sustainable profitability, management transparency, effective governance, return on investment.
Banks and insurance providers	Shareholders' Meeting - Periodic meetings	Payment of the insurance premium, Corporate risk management
Customers	Website - Sustainability Report sharing Visits and interviews – Presentation events for customers – Customer ESG questionnaire	High-quality products with a reduced environmental impact and traceability along the supply chain, compliance with the applicable technical regulations, appropriate prices and punctual delivery.
Employees	Dialogue with the Human Resources Department Informal meetings and institutional events Questionnaires – Dialogue with representative bodies	Safe working conditions, growth opportunities, focus on well-being and job security.
Suppliers	Business meetings and site visits ESG questionnaires for drawing mills	Regular payments, stable, transparent relationships focused on shared ESG criteria.

Stakeholder Gnutti Group	Engagement activities Projects - Initiatives - Relationships	Expectations and interests
Local community	Meetings with representatives of local communities Site visits	Contribution to local development, environmental protection and reduction of the organisation's impacts on the surrounding environment, as well as initiatives to raise awareness of environmental issues and energy reduction.
Institutions, Public Administration and Authorities	Meetings / sending and exchanging communications for compliance purposes or specific requests for meetings with representatives of local institutions. National and local public authorities / National and local authorities – Supervisory and regulatory bodies	Regulatory compliance, emissions reduction and transparent reporting.
Media	Interviews - Press conferences - Events - Corporate website - Social media - LinkedIn - Publications	Access to accurate and transparent information

Local community and territory

Relationships with the territory and community engagement

Gnutti Cirillo considers it essential to maintain an open and constructive dialogue with the local communities and regions in which it operates. Attention to compliance with current legislation, combined with clear and consistent guidelines adopted over time, has made it possible to build relationships of trust and collaboration with public bodies, associations, and local authorities.

Training and partnerships with educational institutions

In line with the principle of reciprocity with local communities, the company actively promotes training initiatives aimed at the new generations. In particular:

- Internship and school-work alternation programmes have been established for high school students in the province;
- Collaboration is underway with various universities through both curricular and extracurricular internships, as well as through registration on the Almalaurea platform to identify young talents;
- Several professionals from the Group have taken part as guest lecturers in university master's programmes and classes at the University of Brescia and other institutions nationwide, thereby strengthening the link between academia and industry.

Support for the community: social and cultural initiatives

Gnutti Cirillo actively participates in the social life of the territory, supporting numerous cultural, sports and charitable initiatives. Through donations and contributions, it supports projects and organisations that work for the benefit of the community.

The main organisations supported in 2025 include:

- Local foundations and organisations
- Local community associations
- Third Sector organisations
- Local sports and cultural associations

Participation in associations

The Gnutti Group is a member of **Confindustria**, **ANIMA** (Federation of Italian Associations of Mechanical and Engineering Industries) and **AVR** (Italian Association of Valve and Tap Manufacturers). Furthermore, the Group actively participates in the '**Brescia Alliance for Culture**' initiative, reinforcing its commitment to promoting culture as a driver of sustainable and inclusive development.

Governance

Governance model and corporate bodies

ESRS Standard
ESRS 2 GOV-1, ESRS 2 GOV-2

The corporate governance structure adopted by Gnutti Cirillo is based on the traditional organisational model and consists of the following corporate bodies:

Shareholders' Meeting	The body responsible for decisions on the Company's governance matters, in accordance with the law and the Articles of Association.
Board of directors	Body entrusted with the management of the Company.
Board of Statutory Auditors	Body entrusted with the supervisory function.
Audit Firm	Carries out the statutory audit and issues an opinion on the financial statements, in accordance with the law and the Articles of Association.

Although Gnutti Cirillo is not currently a listed company, it is aligning its corporate governance practices with those recommended by Borsa Italiana's 2020 Corporate Governance Code. The impetus came both from the company's ownership and management, as well as from the OECD's guidance—currently engaged in revising the corporate governance principles for the G20/OECD—which states that strengthening the corporate governance of non-listed companies can significantly boost productivity growth and support the formation of better-informed strategic decisions.

The Board of Directors

Gnutti Cirillo entrusts the management of the Company to a Board of Directors comprising a Chair and three Directors.

Board of directors	
Giuliano Gnutti	Chairman and Managing Director
Alberto Gnutti	Managing Director
Franco Veronesi	Director
Guido Riccardi	Director

The Board of Directors plays a central role in the Company's economic and strategic management, with responsibility for defining, guiding and overseeing strategic directions to ensure sustainable growth and effective governance. The composition and diversity of the members of the Board of Directors are shown below:

Board of Directors – Gender diversity					
Women		Men		Total	
0	0%	4	100%	4	100%

Board of Directors – Age diversity					
Under 30 years		30 to 50 years		Over 50 years	
0	0%	1	25%	3	75%

The Board of Statutory Auditors

Board of Statutory Auditors	
Paolo Pintossi	Chair of the Board of Statutory Auditors
Moreno Pagnini	Standing statutory auditor
Maurizio Bacchiega	Standing statutory auditor
Monica Dal Bianco	Alternate statutory auditor
Michele Archetti	Alternate statutory auditor

The Company's management is overseen by a Board of Statutory Auditors comprising three standing statutory auditors and two alternate statutory auditors. The supervisory functions pursuant to Article 2403 of the Italian Civil Code are performed by the Board of Statutory Auditors. The Board of Statutory Auditors oversees proper administration and the adequacy of the organisational, administrative, and accounting framework; it is composed of three full members and two independent alternate members, appointed by the Shareholders' Meeting.

The Strategic Sustainability Board

The ESG Board supports the Board of Directors in defining, implementing and reviewing the Sustainability Policy, in monitoring the Company's ESG factors, and is responsible for sustainability projects, analysis, assessment and internal ESG reporting activities. In accordance with Gnutti Cirillo's Sustainability Policy, the Board is expected to meet quarterly and, on an extraordinary basis, whenever necessary.

The Sustainability Board comprises the owners, the General Manager and the heads of the main functions.

Sustainability governance

ESRS Standard
ESRS 2 GOV-2

Gnutti Group has progressively established a **sustainability governance framework** designed to ensure effective oversight of ESG matters and a coordinated approach across the Group. In 2025, the **Strategic Sustainability Board (Comitato Strategico di Sostenibilità)** was established, comprising the Gnutti Group CEO, the General Manager and the project managers. The Board is the central body responsible for strategic direction on sustainability matters and defines and decides on the Group's common approach, ensuring consistency in strategic choices and strategic priorities.

As early as 2024, the **Health, Safety & Environment (HSE)** function was established at Group level, with responsibility for overseeing and managing ESG matters, particularly those relating to health, safety and the environment. In the same year, the **ESG Manager** was appointed, representing Gnutti Group at central level, coordinating sustainability initiatives, reporting to the Strategic Sustainability Board and promoting the implementation of the related initiatives. From 2026, the ESG Reporting Group Team will operate, comprising the sustainability representatives of the individual Group Companies. The Team will be responsible for managing and promoting the introduction of sustainability projects and measures, as well as coordinating data collection and consolidation activities to support ESG reporting.

Environmental and social commitment - governance structure

Recognising the importance of environmental protection and pollution prevention, Gnutti Cirillo is committed to integrating these principles into its organisational culture and promoting the involvement of all personnel in environmental protection initiatives. Attention to environmental matters is therefore a fundamental element of the corporate management model.

From this perspective, the Company directs the efforts of all personnel, employees and non-employees alike, towards the careful and responsible management of environmental matters, undertaking in particular to:

- maintain conformity with all current laws and regulations applicable to environmental matters;
- pursue continual improvement intended to prevent and reduce actual and potential environmental impacts related to its operations.

To this end, the Board of Directors has established a governance framework that **fully integrates the environmental dimension into corporate strategies**, recognising the importance of responsible and sustainable management of production activities.

This governance model enables more effective and timely management of issues, as plant managers and function managers, thanks to their in-depth knowledge of operations and local conditions, can implement targeted solutions to reduce environmental impact, improve energy efficiency and ensure compliance with applicable environmental and social regulations.

This approach promotes greater decision-making autonomy, encouraging the adoption of innovative and sustainable practices, as well as collaboration with local authorities, institutions, and communities to advance environmental protection initiatives. In this way, Gnutti Cirillo strengthens its commitment to sustainability, making environmental governance a strategic element of its growth and competitiveness.

Gnutti Cirillo's commitments and policies are periodically reviewed by the Board of Directors in order to enhance their effectiveness in pursuing strategic objectives and to monitor and improve the management of sustainability impacts and matters. The review process involves the relevant stakeholders as well as the ESG Strategic Board, established in 2025.

The sustainability reporting process

The Board of Directors approves the Sustainability Report and, as a preliminary step, oversees the process of identifying, assessing and prioritising material topics (IRO – Impacts, Risks and Opportunities). The process for the review and approval of the Double Materiality Assessment (DMA) by the Board of Directors is a **structured process**, as it helps ensure that strategic decisions are based on accurate information that is relevant to stakeholders. Once completed and subject to a preliminary review by the Strategic Sustainability Board, the Double Materiality Assessment is presented to the Board of Directors, which discusses and approves the results of the process for assessing and prioritising material topics.

Among its other functions, the **Strategic Sustainability Board** assists the Board of Directors in coordinating the operational aspects of the Materiality Assessment process, such as stakeholder engagement, the integration of assessments and the identification of material topics. In particular, it provides support and advice to the Board of Directors on sustainability matters; it reviews and assesses sustainability policies, as well as sustainability guidelines, objectives and the related processes, and the Sustainability Report submitted to the Board of Directors.

Gnutti Group's commitment to sustainable development

Strategy and sustainability

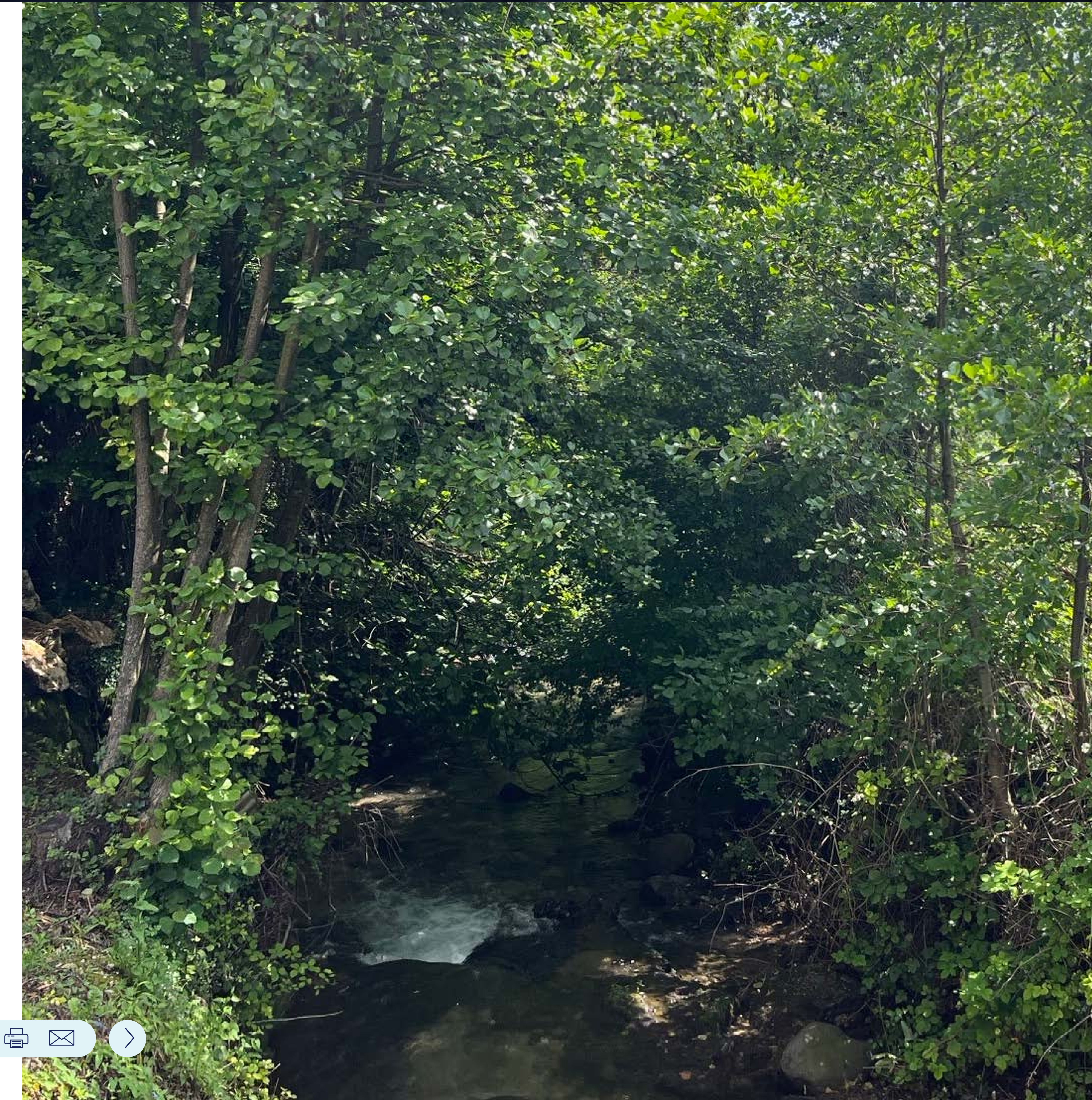
The Gnutti Group's strategy is based on a balance between economic growth, environmental responsibility, and social development, in the awareness that sustainable development cannot take place without due focus on people and the environment in which the Group operates. Sustainability matters are integrated into strategic decisions, promoting innovation and efficiency as levers for creating long-term value. A shared approach across all Gnutti Group companies, aimed at generating value by operating with integrity, honesty and respect and promoting development that safeguards the environment, the local area, social aspects and local communities.

The Group's commitment to sustainability through its products

Gnutti Group's commitment to sustainability extends beyond its own manufacturing sites. Through the products it designs, manufactures and distributes, the Company creates a positive impact throughout the value chain, right through to end-users. he Group's approach is oriented towards creating value not only for the Group itself, but also for customers, suppliers, partners and the local communities in the areas where it operates.

The Group's products are integrated into infrastructure such as water networks, heating systems and energy systems. This positioning makes the Group's contribution directly relevant to some of the most important environmental and social sustainability goals. The drivers through which the Group generates sustainable value are closely linked to the technical, application-related and quality characteristics of its products:

- Quality and people's health and safety
- Energy efficiency
- Water efficiency and waste reduction
- Circularity of raw materials
- Regulatory compliance as a safeguard for the market



Quality and people's health and safety

Tiemme's products for water supply systems have a direct impact on people's health and safety. The valves, fittings, manifolds and taps it manufactures become an integral part of the water distribution networks serving homes, schools, hospitals and public buildings. The quality of these components—and in particular the composition of the alloys from which they are made—directly affects the quality of the water flowing from the taps of millions of end-users.

Tiemme has already begun the transition to low-lead and lead-free alloys in order to comply with Directive (EU) 2020/2184, the Drinking Water Directive. The legislation requires a progressive reduction in the maximum limit for lead in drinking water at the point of use, with the aim of eliminating the risk of contamination in domestic and public water systems.

Energy efficiency

Space heating accounts for one of the largest sources of energy consumption in Europe's residential and commercial building sectors. The systems manufactured by Tiemme—including thermostatic valves, manifolds for radiant heating systems, boiler room components, and control and balancing systems—enable the **precise and optimised management of heat flows within buildings**.

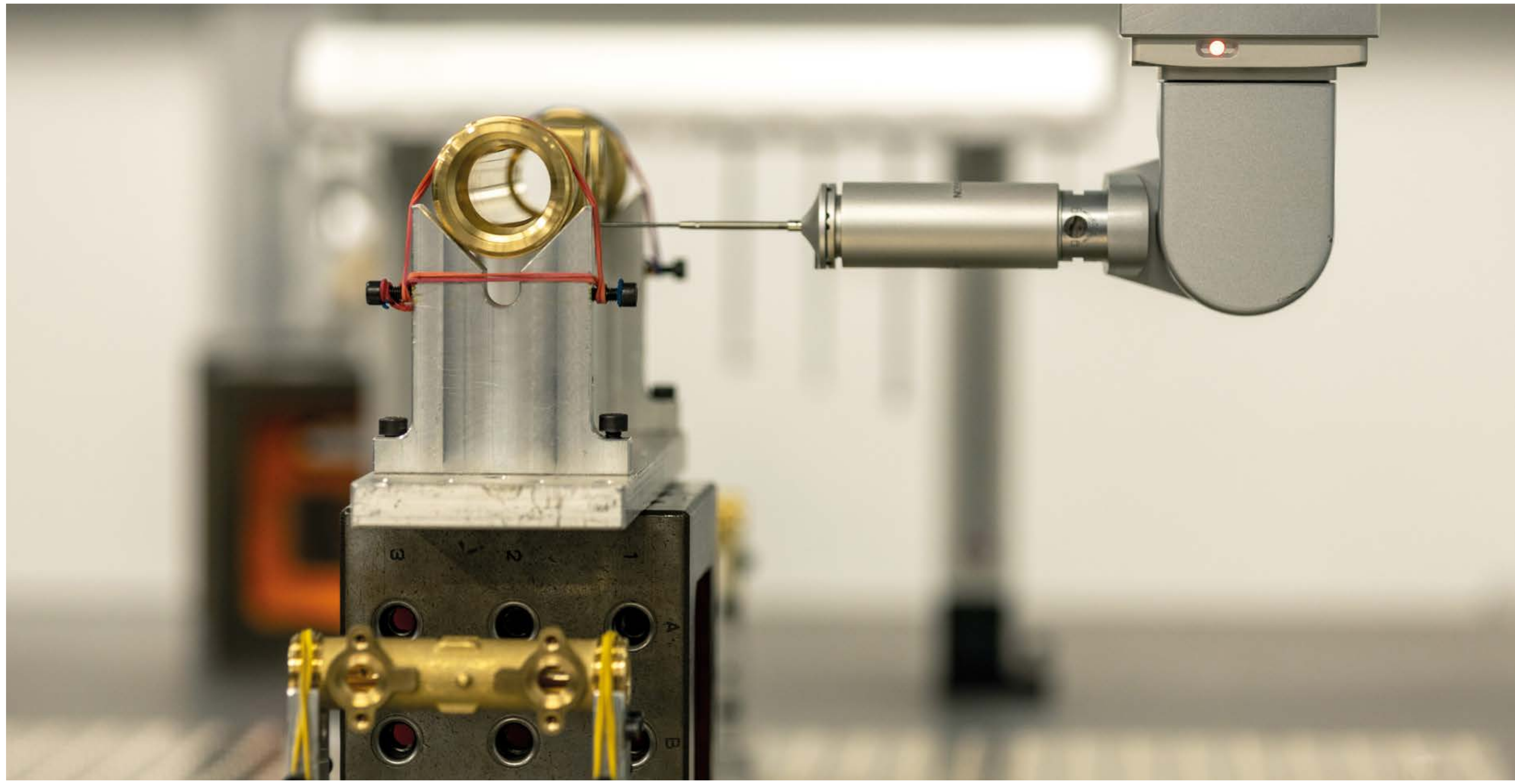
Efficient heat distribution, hydraulic balancing and accurate temperature control can **significantly reduce energy consumption** compared with unregulated systems or those equipped with obsolete components. This translates directly into lower household energy bills and reduced CO_2 emissions associated with heat generation.

Energy savings during product use

As part of its climate change mitigation efforts, Tiemme develops solutions designed to improve energy efficiency during the product use phase, helping to reduce energy consumption and optimise overall system performance. Tiemme's contribution to energy efficiency goes beyond individual components, embracing an integrated system approach in which zone control, hydraulic balancing and system parameter control help reduce waste and improve overall performance. In this context, Tiemme offers advanced temperature control and building management solutions, including:

- **CLIMAV Building Management 2.0**, an advanced solution for radiant heating systems that enables integrated, dynamic climate control, improving both energy efficiency and comfort;
- **TIEMME NEXT,** a smart thermoregulation solution with remote control and programming, capable of generating energy savings of up to 30%;
- **TIEMME GATE**, an entry-level solution that enables conventional radiator systems to be upgraded with smart functionality, extending the benefits of energy efficiency to existing buildings.

By integrating physical components with digital systems, Tiemme is helping to create an intelligent energy management ecosystem capable of optimising energy consumption, reducing CO^2 emissions and supporting the sustainability objectives of the building sector.



Water efficiency and waste reduction

Reducing waste is a key priority in Tiemme's approach to product sustainability. Its focus extends beyond water distribution networks to encompass the more efficient use of resources across building services and civil installations.

In this context, **the products contribute to more efficient use of both water** and energy through the control, regulation and optimisation of flows within building services systems. The ability to isolate circuits correctly, regulate flow rates and pressures, and monitor consumption helps prevent leaks, excessive consumption and operational inefficiencies.

Tiemme's offering is used mainly in residential and tertiary-sector systems, where components such as valves, control systems and distribution devices help to improve the reliability and precision of system operation, with direct benefits in terms of reducing waste and optimising overall performance.

From this perspective, the value of Tiemme's products extends beyond specific applications to all systems requiring controlled resource management, supporting the more efficient and responsible use of water and energy throughout the building lifecycle.

Circularity of raw materials

Brass is an infinitely recyclable material, with no loss of mechanical properties. This intrinsic characteristic is not a marginal technical detail: it is the foundation of a business model geared towards the circular economy. All components manufactured by Tiemme can, at the end of their useful life in customers' systems, be fully reintroduced into the production cycle as secondary raw materials, without any loss of quality.

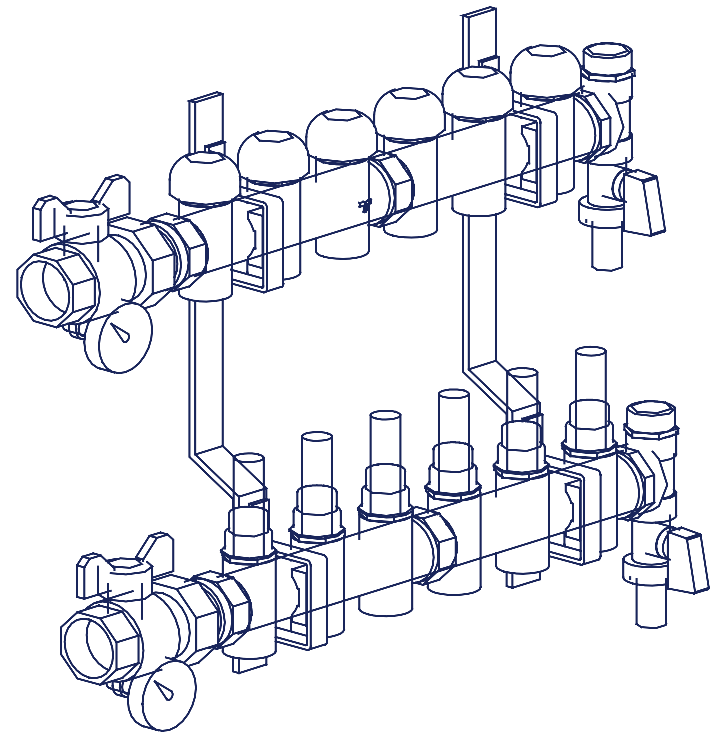
BIM models

Innovation is a key enabler in the transition of the construction sector towards more sustainable models. Within this context, Tiemme has embarked on a structured programme of investment and development. Through continuous optimisation, **the Company provides BIM object libraries designed to support design professionals and enhance design quality.**

The models developed integrate technical information, accurate geometries and a high level of construction detail, helping to prevent design errors, reduce clashes during the construction phase and improve the reliability of system performance predictions.

A further contribution to efficiency comes from the accuracy of calculations and the correct definition of quantities. Optimised BIM objects enable accurate estimation of the piping, components and materials required, with direct effects on waste reduction, procurement optimisation and cost control, improving the overall efficiency of the construction process.

The objective is to provide designers with practical tools for developing efficient building services systems, high-performance buildings and projects with a reduced environmental impact.



Regulatory compliance as a safeguard for the market and end-users

Regulatory compliance is one of the most tangible forms of protection that a manufacturer can offer its customers and, ultimately, end-users. Tiemme's certified management system ensures that its products do not introduce compliance risks for customers integrating them into their own systems, thereby simplifying qualification processes and facilitating access to highly regulated markets.

CERTIFIED QUALITY

ITALY	TTR INSTITUTE
ITALY	RINA REGISTRO NAVALE ITALIANO
ITALY	ISTITUTO GIORDANO
ITALY	ICIM
ITALY	ICIM CERTIFIED IN ACCORDANCE WITH MINISTERIAL DECREE NO. 174/2004
ITALY	ISTITUTO NAZIONALE ASSICURAZIONE WORK-RELATED INJURIES
GERMANY	DEUTSCHER VEREIN DES GAS-UND WASSERFACHES
AUSTRIA	ÜA HYGIENE CERTIFICATE
DENMARK	ETA - DANISH BOARD OF EUROPEAN TECHNICAL APPROVAL FOR CONSTRUCTION PRODUCTS
DENMARK	GODKENDT TIL DRIKKEVAND
DENMARK	DTI ENERGY DANSK TEKNOLOGISK INSTITUT
NORWAY	SINTEF CERTIFICATION

SWEDEN	RI.SE RESEARCH INSTITUTES OF SWEDEN
FINLAND	YMPÄRISTÖMINISTERIÖN TYYPPIHYVÄKSYNTAPÄÄTÖS THE FINNISH MINISTRY OF ENVIRONMENT
SPAIN	AENOR
HOLLAND	CENTRUM VOOR GASTECHNOLOGIE
HOLLAND	CERTIFICATIE EN KEURINGEN
PORTUGAL	CERTIF ASSOCIAÇÃO PARA A CERTIFICAÇÃO
ROMANIA	AGREMENT TEHNIC ÎN CONSTRUCTII ROMÂNIA
BULGARIA	TÜV RHEINLAND BULGARIA LTD.
AUSTRALIA	IAPMO WATERMARK LICENCE
AUSTRALIA	IAPMO OCEANA MARK
AUSTRALIA	AGA CERTIFIED PRODUCT
BELGIUM	UNIVERSITE LIBRE DE BRUXELLES

UKRAINE	CERTIFICATION BODY CCV 'TECKO'
SLOVAKIA	TECHNICKÝ SKÚŠOBNÝ ÚSTAV PIEŠŤANY, Š.P.
CZECH REPUBLIC	VYZKUMNY USTAV POZEMNICH STAVEB – CERTIFIKACNI SPOLECNOST S.R.O.
CZECH REPUBLIC	STROJÍRENSKÝ ZKUŠEBNÍ ÚSTAV
RUSSIA	GOST CERTIFICATION
RUSSIA	HYGIENE CERTIFICATE
RUSSIA	EAC CERTIFICATE
POLAND	PANSTWOWY ZAKLAD HIGIENY NATIONAL INSTITUTE OF HYGIENE
POLAND	INSTYTUT TECHNIKI BUDOWLANES
HUNGARY	ÉPÍTÉSÜGYI MINŐSÉGELLENŐRZŐ INNOVÁCIÓS NONPROFIT KFT.
UNITED KINGDOM	BRITISH GAS TECHNOLOGY
UNITED KINGDOM	WATER REGULATION ADVISORY SCHEME

UNITED KINGDOM	KUKREG4
FRANCE	LABORATOIRE SANT ENVIRONNEMENT HYGIÈNE DE LYON
FRANCE	CENTRE SCIENTIFIQUE ET TECHNIQUE DU BÂTIMENT
FRANCE	CERTIFICATION NF
BELARUS	STROYTECHNORM
SERBIA	UNIVERSITY OF NIŠ FACULTY OF MECHANICAL ENGINEERING
EUROPE	CE PRODUCT MARKING
VIETNAM	TESTING CENTER 3
SOUTH AFRICA	AENOR

Material topics

The process for identifying and assessing material impacts, risks and opportunities

ESRS Standard
ESRS 2 IRO-1

The disclosures in this section are intended to provide all stakeholders with the information necessary to understand the process through which **impacts**, **risks** and **opportunities** were identified and their **materiality** assessed and, consequently, how the information included in the Sustainability Report was determined.

Material topics according to the ESRS

The European Sustainability Reporting Standards (ESRS) require material topics (IROs – Impacts, Risks and Opportunities) to be identified and assessed from the perspective of impact materiality, financial materiality or both (in relation to environmental, social and governance matters).

- **Impact Materiality** – Significant actual or potential impacts on people and the environment directly linked to a company's activities, products and services.
- **Financial Materiality** – sustainability risks and opportunities that may affect the company's value (in terms of financial effects).

Impacts, risks and opportunities also include those that arise or may arise in the context of direct and indirect business relationships within the value chain (activities/sectors, geographical areas, operations, suppliers, customers, other relationships, where material IROs are likely to arise / exist).

Materiality Assessment process and methodology

The process for identifying and assessing material impacts, risks and opportunities comprises the following stages:

- Understanding the context
- Identification of actual and potential IROs
- Assessment and determination of material IROs

Understanding the context

The reference context is based on the information set out in the previous paragraphs regarding the general disclosures on strategy, business model and value chain, stakeholder relationships, underlying business relationships and the sustainability context.

Identification of actual and potential IROs

The process for identifying actual and potential IROs (material topics) affecting people and the environment was carried out using a methodology that involved the analysis of external and internal sources, taking into account stakeholder engagement and feedback, supplemented by a specific analysis of risks and opportunities, as required by the ESRS. The analysis took into account the characteristics of the activities and business model, business relationships, geographical areas and other factors associated with a higher risk of negative impacts. As already specified, the impacts generated directly through the company's own activities or as a result of business relationships were considered, and stakeholder relations and consultations were taken into account in order to understand how stakeholders might be affected by the impacts. The opinions and assessments of external experts were indirectly considered through the various external sources analysed.

Sector studies and research / Reference regulatory framework
Industry research and studies / Analyses by industry associations and organisations
EUROMETAUX | A European Metals Action Plan Fit for the Energy and Digital Transitions and Europe's Defence: A Call for Urgent and Lasting Action - Metals for Clean Energy: Pathways to solving Europe's raw materials challenge
Anima Confindustria, MCE - Mostra Convegno Expocomfort 2026 press conference, 'Plumbing and heating sector: export and domestic market decline continues'.
AVR | Annual Members' Meeting of AVR, the Italian Association of Valve and Tap Manufacturers affiliated to Anima Confindustria, 24 October 2025
ICA | An industrial plan for strategic net zero value chains to deliver a resilient, climate-neutral EU, How the copper industry can support the EU's political goals during the next five years
Reference regulatory framework
UNECE ADR 2025 – Agreement concerning the International Carriage of Dangerous Goods by Road – CBAM Regulation (EU) 2023/956 – PPWR Regulation (EU) 2025/40 – CRMA Regulation (EU) 2024/1252 – Energy Release 2.0 call for applications – CAM (Decree of 24 November 2025) – Pay Transparency Directive (EU) 2023/970

External sources
International organisations – Reports, frameworks and guidelines
WEF | The Global Risks Report 2026 - Global Cybersecurity Outlook 2025 - Diversity, Equity and Inclusion Lighthouses 2025 - Global Gender Gap Report 2025
GBI | Integrating human rights into company climate action
OECD | OECD Due Diligence Guidance for Responsible Business Conduct – A Supervisory Framework for Assessing Nature-related Financial Risks 2023 – Handbook on Environmental Due Diligence in Mineral Supply Chains 2023
UNHR | Guiding Principles on Business and Human Rights
CBD | Kunming/Montreal Global Biodiversity Framework
EEA | European Climate Risk Assessment
ILO | Transforming enterprises through diversity and inclusion - Advancing social justice 2023
UNDRR | Global Assessment Report on Disaster Risk Reduction Standards, frameworks & risk management
Standard, Framework & Risk Management
TNFD | Additional sector guidance, Metals and mining
COSO | wbcsd - Enterprise Risk Management
Benchmarking: peers – customers – suppliers
SASB - Industry Standards
Benchmarking of material topics – policies – risks and opportunities – objectives and actions – stakeholders

Internal sources
Sustainability reports from previous years
Double materiality assessments from previous years
Policies and Procedures
Organisation, Management and Control Model (Legislative Decree No. 231/2001) - Code of Ethics - Human Rights Policy - Sustainability Policy - Corporate ESG Policy
Analyses, assessments and diagnoses
Management Reviews – Environmental Analysis – EcoVadis Questionnaire – Risk Assessment Documents
Management systems
ISO 9001:2015 - ISO 14001:2015 - ISO 45001:2018 - ISO 50001:2018 - ISO 14067:2018

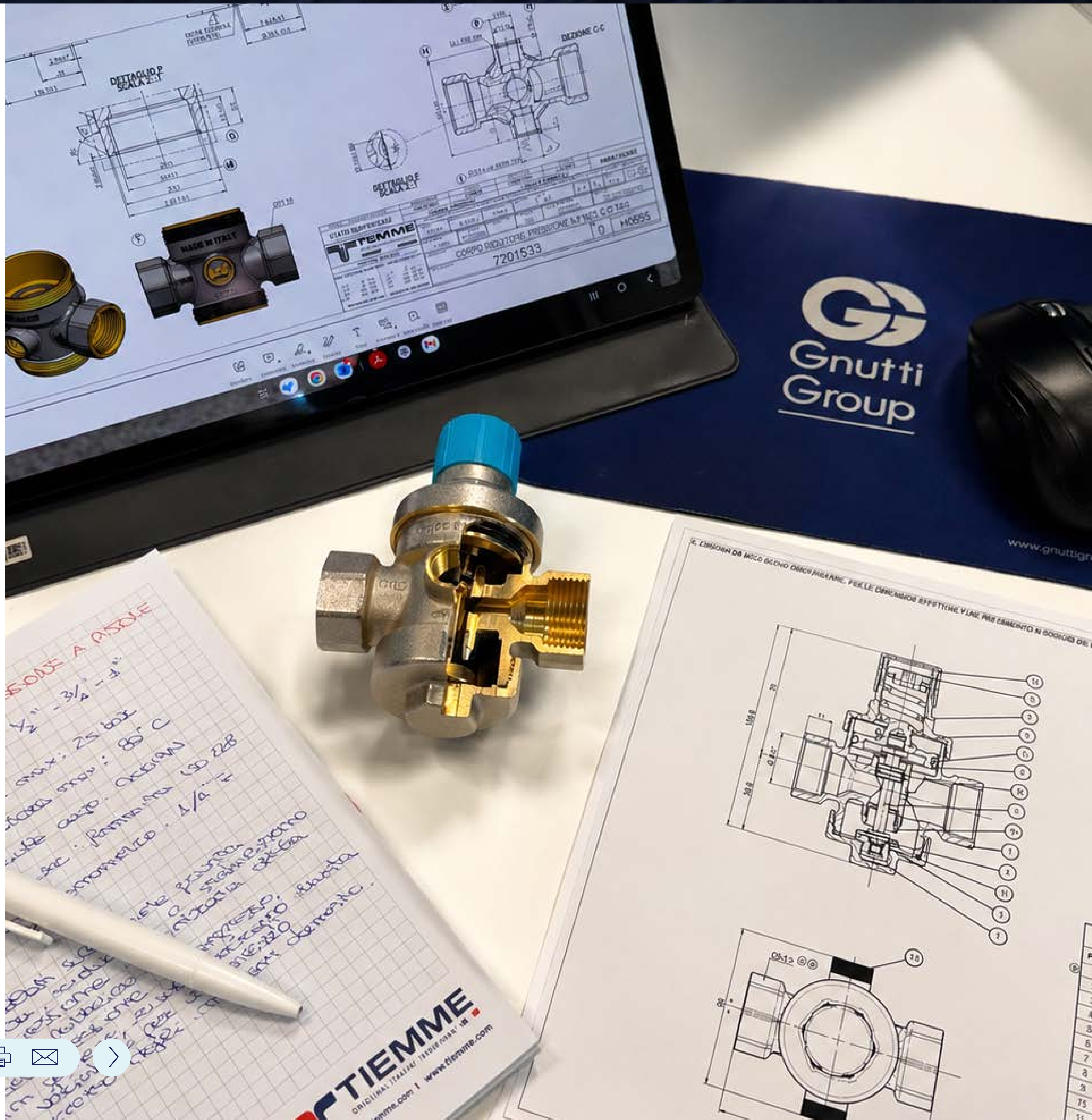
Assessment and determination of material IROs

The assessment of material topics (material IROs) comprised, in summary, the following:

Assessment stages	Process and content summary
Qualitative analysis	Chair of the Board of Statutory Auditors
IRO Characteristics Impacts, Risks and Opportunities	**Characterisation of Impacts, Risks and Opportunities under analysis** ▸ Impact characteristics ▸ Actual / Potential ▸ Positive Negative ▸ Short / medium / long term ▸ From own operations / Along the value chain **Risk/Opportunity characteristics** ▸ Short / medium / long term ▸ From own operations / Along the value chain
Quantitative analysis	**Assessment of impact materiality:** materiality against criteria of severity and likelihood of occurrence. Severity is based on the scale, scope and irremediable character of negative impacts. Quantitative and/or qualitative thresholds have been set for this purpose. **Assessment of risks and opportunities:** materiality in relation to likelihood of occurrence and potential magnitude. In this context, and in line with the impact assessment, quantitative and/or qualitative thresholds have been set for assessing the financial effects relating to sustainability matters (economic performance, financial position, cash flows and access to finance).

The double materiality assessment process involved the relevant Group functions (CFO, Environmental Manager, Health and Safety Manager, Production Managers, HR Manager and Marketing Director), each of which made a distinct contribution to the assessment of impacts, risks and opportunities. The results of the assessment were presented to and shared with the Strategic Sustainability Board and the Board of Directors, which approved the material IROs.

During 2025, an **ESG topics assessment survey was conducted among employees**, collecting 225 responses representative of the different sites, business areas and roles. The questionnaire results were integrated with management's assessments during the impact prioritisation phase and the subsequent identification of material topics.



The material topics

ESRS Standard
ESRS 2 SBM-3

Double Materiality Assessment (**Analisi di doppia rilevanza** in the Italian translation of the ESRS), in the context of sustainability reporting, is essential for assessing and understanding the impact of the Gnutti Group's activities on the environment and society, as well as the financial risks and opportunities associated with environmental, social and governance (ESG) matters.

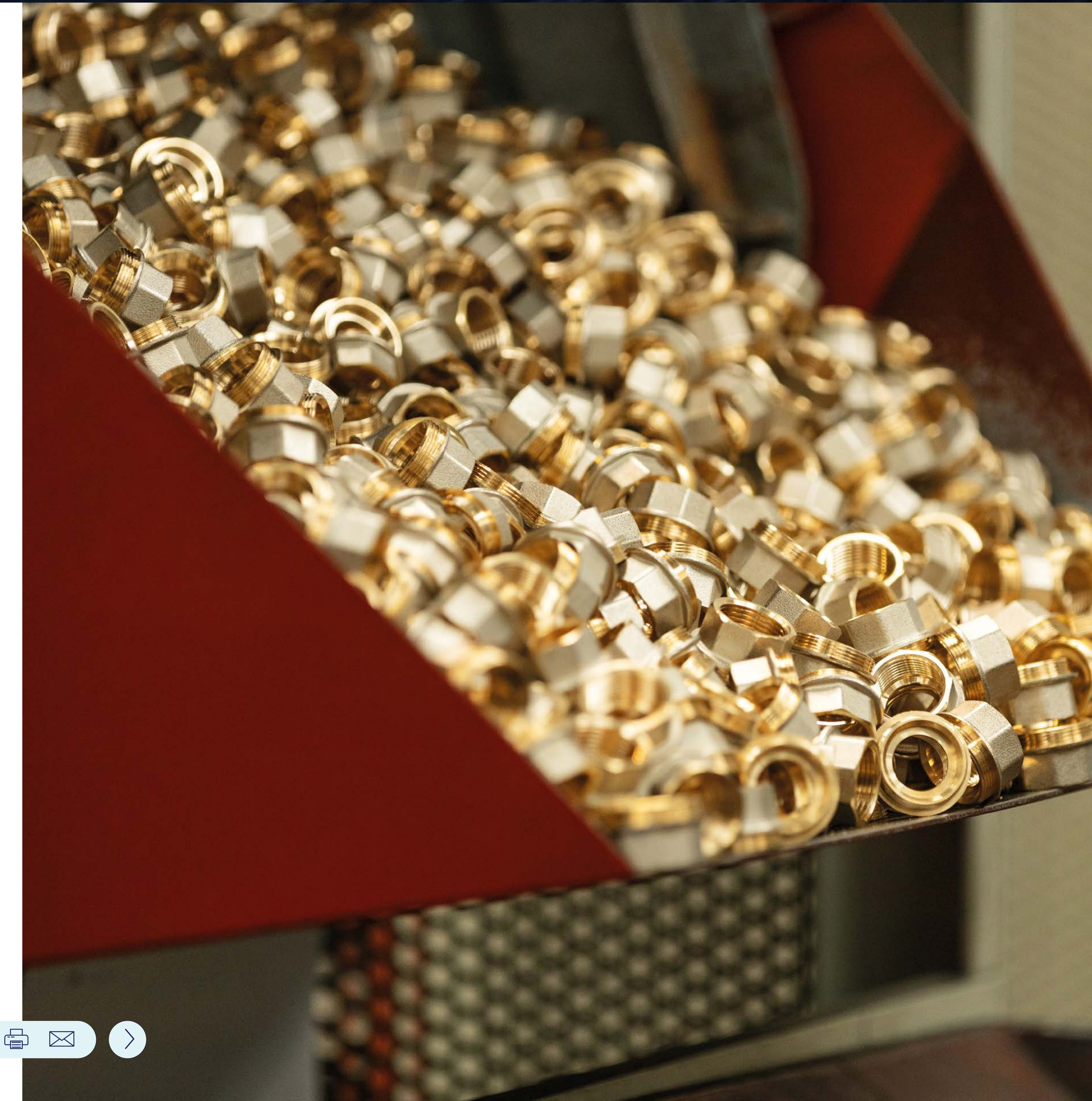
The approach considers both the impacts, classified as actual or potential, positive or negative, that the Group may have on people and the environment over the short, medium or long term (impact materiality), and the influence of environmental, social and governance (ESG) factors on the Gnutti Group's financial performance and resilience (financial materiality). The introduction of the European ESRS standard has facilitated the identification of material ESG risks and opportunities, which complement the results of the impact analysis and reflect greater awareness of and attention to the potential financial impact of these factors, as well as their consistent and integrated assessment.

Analytical information on impacts, risks and opportunities relating to the individual material topics is provided in the corresponding sections, where the topics are addressed (topical ESRS). A summary of this descriptive information is provided in the tables below.

Material topics (IROs)	**Topic description** [Impacts, Risks, Opportunities]	**Characteristics** [Impacts, Risks, Opportunities]
Environmental topics		
E1 Climate change		
Energy Climate change mitigation	**Impacts** Negative impacts: energy consumption from production activities and along the value chain. In particular: a) hot forging / machining process; b) along the entire value chain, from the procurement of raw materials through to the product transport stages.	Actual Negative Short – Medium – Long term
	Opportunities Opportunities to access incentive and investment support measures aimed at improving the energy efficiency of production processes and the self-generation of energy from renewable sources. These instruments can support the reduction of energy consumption and operating costs, improving plant efficiency and mitigating the Group's exposure to volatility in energy prices.	From own operations and along the value chain Short - Medium – Long term From own operations and along the value chain
Climate change mitigation	**Impacts** Negative impacts: GHG emissions generated by the consumption of electricity, diesel, natural gas and LNG in production processes and along the value chain (during raw material sourcing; transport and logistics activities; waste management; and the end-of-life stage of products).	Actual Negative Medium – Long term From own operations and along the value chain
	Risks Transition risks (regulatory, technological and market-related) linked to the possible introduction of regulations requiring the use of technologies and solutions with a lower climate impact in the sector in which the Group operates. These regulations may make it necessary to upgrade production technologies and machinery, with potential effects on operating costs, investment in product and process innovation, and the adaptation of the product range to future market requirements in terms of energy efficiency and emissions reduction.	Medium – Long term From own operations and along the value chain
	Opportunities Opportunities linked to the development and manufacture of innovative products with high technical performance, which can support more energy-efficient solutions in the relevant sectors of application.	Medium – Long term From own operations

Material topics (IROs)	Topic description [Impacts, Risks, Opportunities]	Characteristics [Impacts, Risks, Opportunities]
Climate change adaptation	**Risks** Physical risks, both acute and chronic, arising from the increase in the frequency and intensity of extreme weather events may compromise operational continuity, with possible disruptions to production and logistics activities and impacts on the supply chain, including interruptions and limitations in the availability of raw materials, with effects on the continuity and quality of supplies.	Medium – Long term
		From own operations and along the value chain
E2 Pollution		
Pollution of air	**Impacts** Negative (direct) impacts associated with emissions of pollutants into the atmosphere and noise emissions generated by the Group's production activities.	Actual
		Negative
		Short – Medium – Long term
		From own operations
	Impacts Negative (indirect) impacts associated with the extraction, processing and transformation stages of metallic raw materials, which may generate emissions into the atmosphere and impacts on water resources.	Actual
		Negative
		Short – Medium – Long term
		Along the upstream value chain
E3 Water and marine resources		
Water Water consumption Water withdrawals	**Impacts** Negative (direct) impacts arising from the withdrawal and consumption of water resources used in production processes (formation of lubricating/cooling emulsions / washing / cooling systems) and depletion of water resources in areas of water stress.	Actual
		Negative
		Short – Medium – Long term
		From own operations
	Impacts Negative (indirect) impacts linked to the use of water in the extraction and production stages of metal raw materials, with potential effects on water quality and availability in the sourcing areas.	Actual
		Negative
		Short – Medium – Long term
		Along the upstream value chain
E4 Biodiversity and ecosystems		
Impacts on the extent and condition of ecosystems	**Impacts** Negative (indirect) impacts associated with the extraction of metallic raw materials, involving land conversion and land use in the areas of origin. These transformations may affect the extent and condition of local ecosystems, resulting in the depletion of natural resources, habitat alteration, land use and pressure on local ecosystems in areas where extraction and primary processing take place.	Potential
		Negative
		Medium – Long term
		Along the upstream value chain
	Risks Regulatory, operational and market risks associated with evolving environmental and biodiversity protection regulations applicable to extractive activities and natural resource management along the supply chain (e.g. mining restrictions, traceability and responsible sourcing requirements), with potential impacts on raw material availability, business continuity, production processes and operating costs.	Medium – Long term
		Along the upstream value chain
E5 Circular economy		
Resource inflows, including resource use	**Impacts** Negative impacts related to the use of raw materials in production processes and packaging materials.	Actual
		Negative
		Short - Medium – Long term
		From own operations and along the value chain
	Risks Operational risk related to fluctuations in raw material purchase prices; the associated transport costs from third-party suppliers are affected by raw material availability and the resulting price fluctuations.	Medium – Long term
		From own operations and along the value chain
	Operational and market risks related to potential disruptions in raw material inflows, which could affect the availability of recycled raw materials.	Long-term
		From own operations and along the value chain
	Opportunities Strategic and operational opportunity linked to resource inflows through the recovery and recycling of metal scrap and process waste, enabling the Group to increase the availability of recycled feedstock, with benefits in terms of continuity of supply and reduced purchasing costs.	Medium – Long term
		From own operations and along the value chain

Material topics (IROs)	Topic description [Impacts, Risks, Opportunities]	Characteristics [Impacts, Risks, Opportunities]
Resource outflows associated with products and services	**Impacts** Positive impact linked to the durability and recyclability of products placed on the market and their relevant packaging. The long useful life of the products and the reduction in packaging materials limit the need for replacement and the use of new raw materials, while the recycling potential of the products and packaging enables materials to be recovered at the end of their useful life and reintroduced into recycling streams.	Actual Positive Short – Medium – Long term From own operations and along the value chain
Waste	**Impacts** Negative impacts: management of waste generated during processing and distribution (packaging)	Actual Negative Short – Medium term From own operations and along the value chain

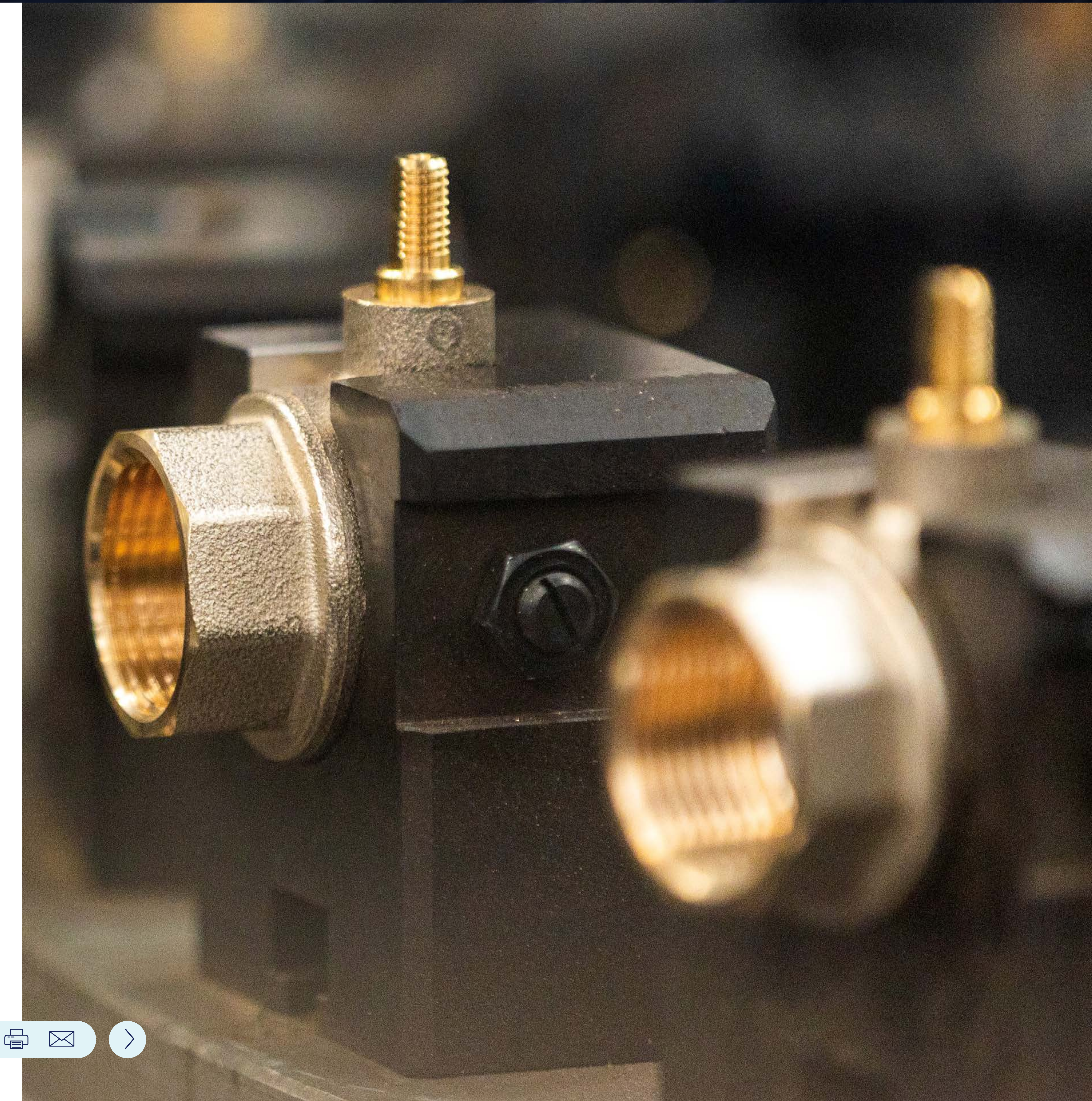


Material topics (IROs)	Topic description [Impacts, Risks, Opportunities]	Characteristics [Impacts, Risks, Opportunities]
Social topics		
S1 Own workforce		
Working conditions Secure employment Freedom of association, the existence of works councils, and workers' information, consultation and participation rights Collective bargaining, including the percentage of workers covered by collective labour agreements	**Impacts** Positive impact: creation of a working environment that offers stable employment, adequate wages and respect for rights, such as social dialogue and collective bargaining, with a focus on work-life balance and dialogue with internal representatives.	Actual Positive Short - Medium - Long term From own operations
Health and safety	**Impacts** Negative impacts: the possibility of injuries or other incidents occurring in the workplace.	Potential Negative Short – Medium – Long term From own operations
	Risks Regulatory / legal and reputational risks arising from the failure to adopt effective prevention and monitoring measures, increasing the likelihood of injuries, occupational diseases and work-related stress, compromising productivity and business continuity and giving rise to possible litigation.	Short - Medium – Long term From own operations
Equal treatment and opportunity for all Gender equality and equal pay for work of equal value Training and skills development Diversity	**Impacts** Positive impacts on people's well-being arising from a working environment that ensures respect for workers and equal opportunities, the absence of discrimination and continuous training.	Actual Positive Short – Medium – Long term From own operations

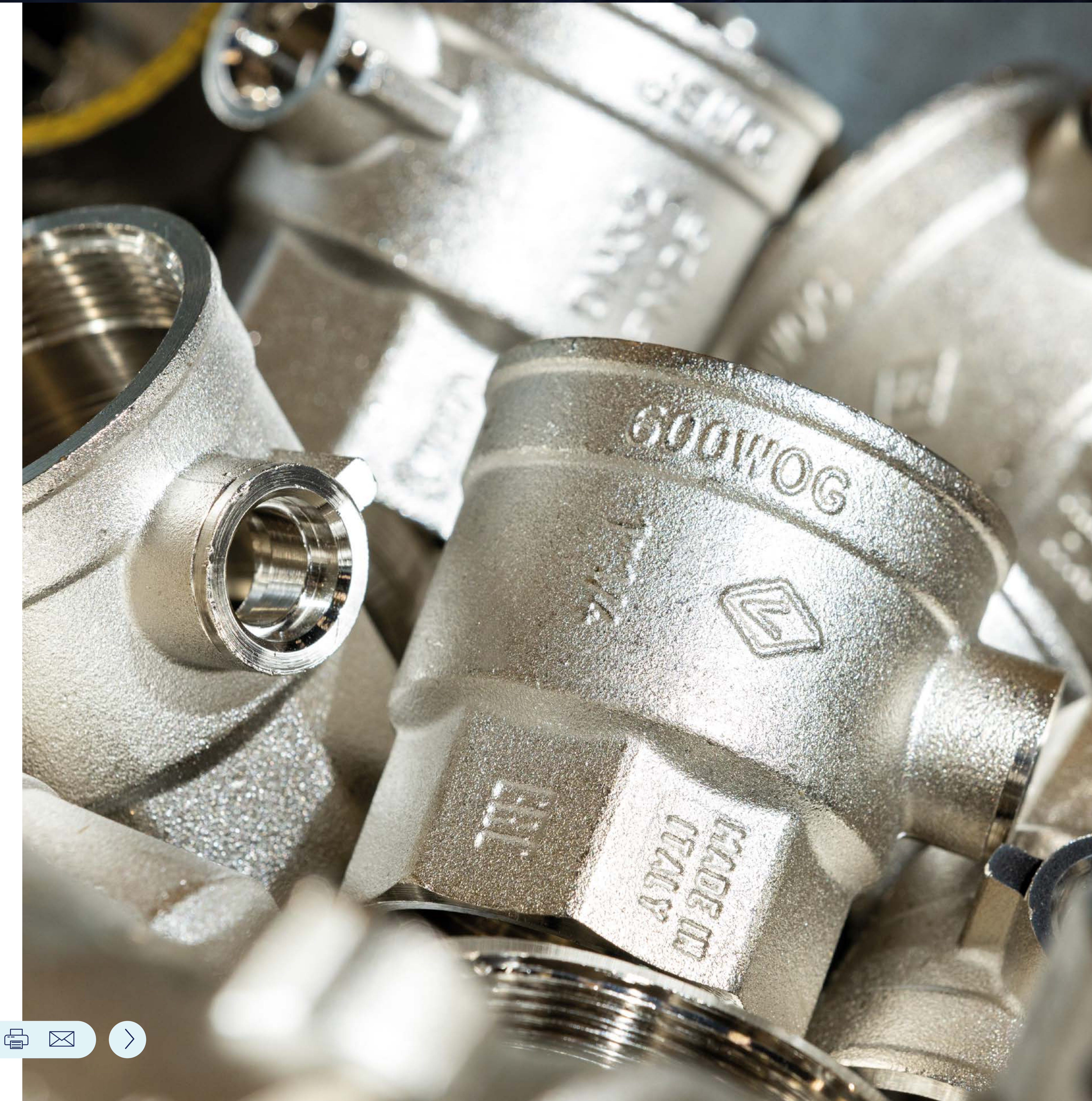
S2 Workers in the value chain		
Working conditions Secure employment Health and safety	**Impacts** Negative impacts related to working conditions along the value chain, which may adversely affect human rights and other individual rights (working time – inadequate wages – social dialogue – freedom of association – health and safety).	Potential Negative Short – Medium – Long term Along the value chain
	Risks Legal, market and reputational risks arising from the consequences of potential cases of non-compliance with workers' rights and accidents and/or work-related injuries in the supply chain (business interruption – litigation – reputational damage).	Short – Medium – Long term Along the value chain
Equal treatment and opportunity for all Gender equality and equal pay for work of equal value Training and skills development Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace	**Impacts** Potential negative impacts related to working conditions that are not fully inclusive, where equal treatment and equal opportunities for all workers are not ensured in operational and organisational contexts.	Potential Negative Short – Medium term Along the value chain
	Risks Legal, reputational and market risks due to the occurrence of incidents of discrimination among workers in the value chain, caused by inadequate measures and protocols for protecting diversity and equal opportunities (operational disruption – litigation – reputation).	Short – Medium term Along the value chain
Other work-related rights Child labour Forced labour	**Impacts** Potential negative impacts due to failure to ensure the protection of workers' rights and working conditions that exclude all forms of forced and child labour.	Potential Negative Short – Medium term Along the value chain
	Risks Legal, reputational and market risks associated with potential cases of child and forced labour along the supply chain and consequent reputational repercussions.	Short – Medium term Along the value chain

Material topics (IROs)	Topic description [Impacts, Risks, Opportunities]	Characteristics [Impacts, Risks, Opportunities]
S4 Consumers and end-users		
Impacts relating to information for consumers and/or end-users Confidentiality	**Impacts** Potential negative impacts on privacy protection (processing of sensitive information) and information systems security (potential security breaches or data breaches).	Potential Negative Short – Medium From own operations
	Risks Legal and reputational risks associated with breaches of the confidentiality, integrity and availability of corporate personal data – including supplier and customer data – and of strategic or confidential information, due to unintentional errors by internal personnel or unlawful acts by external and/or internal parties, such as cyberattacks or malware.	Short – Medium From own operations
Personal safety of consumers and/or end-users Health and Safety Personal safety	**Impacts** Negative impacts: failure to comply with safety standards for the products offered, in line with customers' compliance standards for the protection of end-users' health and safety.	Potential Negative Short – Medium From own operations
	Risks Legal risks (penalties, litigation, administrative proceedings), market and reputational risks arising from non-compliance with regulatory requirements relating to product safety and quality, including any customer complaints.	Short – Medium From own operations

The effects of material impacts, risks and opportunities on the business model, strategy and decision-making process are addressed in greater detail in the disclosures on the various topics (ESRS) assessed as material.



Material topics (IROs)	Topic description [Impacts, Risks, Opportunities]	Characteristics [Impacts, Risks, Opportunities]
Governance topics		
G1 Business conduct		
Corporate culture	**Impacts** Promoting and consolidating a corporate culture based on ethical business conduct generates positive impacts for internal and external stakeholders, strengthening the workforce's sense of belonging and fostering a sense of responsibility in relationships with workers, suppliers, customers and other stakeholders.	Actual Positive Short – Medium – Long term From own operations
Management of relationships with suppliers including payment practices	**Impacts** Negative impacts arising from inadequate supply chain management and/or failure to select and qualify suppliers in accordance with environmental and social standards and criteria, with consequences for the environment and people in the supply chain.	Potential Negative Short – Medium – Long term From own operations and along the value chain
	Risks Regulatory / legal, market and reputational risks arising from the presence of suppliers characterised by potentially negative environmental and social impacts. The risks may also result in business continuity issues (supply chain disruptions), increases in raw material costs, reputational damage, potential legal and contractual penalties, as well as administrative measures.	Medium – Long term From own operations and along the value chain
Active and passive corruption Prevention and detection, including training Incidents	**Impacts** Negative impacts arising from potential instances of active and passive corruption in dealings with stakeholders, resulting in distortions of competition.	Potential Negative Short - Medium – Long term From own operations



Material topics and ESRS reporting

ESRS Standard
ESRS 2 IRO-2

An **Index** is presented in the Annex to the Sustainability Report, to which reference is made, summarising the disclosures contained in the document on the basis of the results of the Double Materiality Assessment. No omissions are reported in relation to the topics addressed.

Overview of the policies adopted by Gnutti Group

ESRS Standard
ESRS 2 MDR-P, ESRS 2 MDR-A, ESRS 2 MDR-M, ESRS 2 MDR-T

Policies / Management Systems	Topical ESRS	Scope
Group Code of Ethics	E2 Pollution E3 Water and marine resources E5 Resource use and circular economy S1 Own workforce S2 Workers in the value chain S4 Consumers and end-users	Group
Organisation model as per Legislative Decree 231/2001	S1 Own workforce G1 Business conduct	Gnutti Cirillo
Human Rights Policy	S1 Own workforce S2 Workers in the value chain	Group
Corporate ESG Policy	E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity E5 Resource use and circular economy S1 Own workforce S4 Consumers and end-users	Gnutti Cirillo
Quality Policy	S4 Consumers and end-users	Gnutti Cirillo - Tiemme - Valvosanitaria Bugatti - Elettromaule Component - MFT
Whistleblowing procedure	S1 Own workforce S2 Workers in the value chain G1 Business conduct	Gnutti Cirillo - Tiemme - Valvosanitaria Bugatti - Elettromaule Component

Group Code of Ethics

The Group Code of Ethics sets out the values, principles and rules of conduct to be observed by all those who work within the companies belonging to the Gnutti Group or have business relationships with them, regardless of the nature of the relationship. **The document is a key tool for promoting a corporate culture based on integrity, responsibility and transparency**, encouraging ethical conduct in compliance with applicable laws and regulations, and strengthening the Group's shared identity, while at the same time safeguarding the legal, organisational and managerial autonomy of each Company.

Organisation, Management and Control Model (Legislative Decree No. 231/2001)

By adopting the Model, Gnutti Cirillo has implemented an organisation, management and control system designed to prevent the offences provided for under Legislative Decree No. 231/2001, as subsequently amended and supplemented. The adoption of the Model is intended both to raise awareness among those acting in the interest or for the benefit of the Company of the need to conduct themselves properly, and to prevent the risk of commission of the offences and administrative violations provided for by the applicable legislation.

Group Human Rights Policy

Through the adoption of its Human Rights Policy, the Gnutti Group recognises the equal dignity of every person and is committed to contributing to the well-being of individuals and the communities in which it operates, in line with the United Nations Guiding Principles on Human Rights and the 2030 Agenda. The Group is committed to cooperating with government authorities and bodies to promote the implementation of their respective human rights agendas. **The principles and values of the Policy form the foundation of corporate integrity and complement the Group Code of Ethics**, whose provisions must likewise be observed.

Corporate ESG Policy

Gnutti Cirillo's Corporate ESG Policy sets out the principles and commitments that guide the Company in the responsible management of its activities, systematically integrating environmental, social and governance aspects into its strategies and decision-making processes. A key element of the Policy is the adoption of a *Risk-Based Thinking* approach, aimed at proactively identifying and assessing the risks and opportunities associated with the Company's activities and the context in which it operates.

Quality policies

The Gnutti Group companies adopt a Quality Policy aimed at the design, manufacture and sale of systems and components in compliance with applicable requirements and customer expectations.

The Quality Management System adopted by the companies, which complies with ISO 9001, provides the framework through which objectives, processes and responsibilities are defined to ensure that the expected standards are achieved.

Gnutti Group's management systems and certifications

The Gnutti Group is committed to continuously developing and improving an integrated management system that meets the requirements of the main international standards, including **UNI EN ISO 9001:2015**, **UNI EN ISO 14001:2015**, **UNI EN ISO 45001:2018**, **UNI EN ISO 50001:2018 and UNI EN ISO 14067:2018**.

This approach, focused on quality, environmental protection and occupational health and safety, enables the companies to meet the needs of the market and end consumers while maintaining high quality standards.

ISO 9001:2015	**Quality management system** applied to business processes and the organisation, with the aim of improving effectiveness in product manufacturing and service delivery, as well as achieving and increasing customer satisfaction.
ISO 14001:2015	The ISO 14001 standard sets out guidelines for establishing an **environmental management system** (EMS). This standard enables companies and organisations to improve their working methods, ensuring an environmentally responsible production model. This standard is designed so that it can be applied regardless of company size and sector.
ISO 45001:2018	ISO 45001 is an international standard relating to **occupational health and safety**, which sets out the requirements for establishing a robust management system. It requires organisations to pursue continuous improvement, thereby providing all stakeholders with assurance of compliance with the specified safety policies.
ISO 50001:2018	This standard defines the requirements for creating, implementing, maintaining and improving an **energy management system** (EnMS). The objective of this standard is to enable an organisation to pursue the continuous improvement of its energy performance and of the EnMS itself through a systematic approach.
ISO 14067:2018	This standard defines the principles, requirements and guidelines for quantifying and communicating the **Product Carbon Footprint**. Its objective is to provide a clear, consistent and globally recognised method for quantifying the greenhouse gas emissions associated with a product throughout its life cycle.

The matrix provides a detailed overview of the certifications and management systems adopted by the Group's various companies:

Management systems / Entity	ISO 14001	ISO 45001	ISO 9001	ISO 50001	ISO 14067
Gnutti Cirillo	✓	✓	✓	✓	✓
Tiemme			✓		
Valvosanitaria Bugatti			✓		
Elettromaule Component			✓		
MFT			✓		

Product certifications

EPD - Environmental Product Declaration

Gnutti Cirillo has developed an **EPD – Environmental Product Declaration** for stamped and machined brass components, prepared in accordance with ISO 14025 and verified by an independent third-party body under the International EPD System. The declaration is based on a product Life Cycle Assessment (LCA) study and considers the raw material procurement, transport, production and end-of-life stages. The EPD also highlights the use of brass with recycled material content and the use of primary data collected directly at the Odolo and Lumezzane production plants.

Tiemme Raccorderie has developed an EPD relating to the production of COBRAPEX pipe, while two LCA studies concerning certain families of fittings are planned by the end of 2026.

Awards

EcoVadis

EcoVadis is a platform that assesses and monitors companies' **sustainability performance**, providing analyses and assessment tools along the supply chain. Participation in EcoVadis enables the company to share comparable information with customers and stakeholders regarding its sustainability practices, based on an internationally recognised methodology.

In September 2025, Gnutti Cirillo S.p.A. obtained the **EcoVadis Silver Medal** and was ranked among the top 15% of companies assessed globally.

WHP network accreditation - ATS Lombardia

Gnutti Cirillo registered its sites (Lumezzane and Odolo) with the WHP (Workplace Health Promotion) network promoted by ATS Lombardia, a programme dedicated to **promoting health and well-being** in the workplace.

In April 2026, the company received the relevant certificate of recognition, confirming its commitment to adopting initiatives focused on people's well-being and promoting a corporate culture that prioritises health in the workplace.

OBIETTIVI PER LO SVILUPPO SOSTENIBILE

The United Nations Sustainable Development Goals (SDGs)

Gnutti Group is committed, through the implementation of its industrial strategy and by virtue of its ecosystem of values, to pursuing a sustainable business model. This approach must necessarily also be reflected in its commitment to the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs), which form an integral part of it. The SDGs represent a business opportunity capable of generating positive environmental and social impacts.

Gnutti Group periodically updates an alignment analysis, starting from its business model and Double Materiality Assessment, in order to define strategic objectives and implemented and/or planned projects in relation to the content (goals and targets) of the 2030 Agenda.

In particular, the Group shows its commitment to monitoring the progress of activities towards these sustainability objectives and targets by identifying material topics and working to ensure ongoing alignment between the management of ESG topics and the Company's overall strategy. Gnutti Cirillo selects the following Goals from among the 17 UN Sustainable Development Goals for its business strategy and, for each selected Goal, identifies the targets and related indicators relevant to the Company, as well as the specific actions aimed at achieving the targets.

The Group's sustainable development journey has identified a number of key values and drivers:

Material topics	Objectives	Actions	SDGs	Target
Environmental topics				
E1 Climate change				
Climate change mitigation Climate change adaptation Energy	Optimisation of energy efficiency and reduction of GHG emissions	Increase the share of renewable energy Improvement of energy efficiency [investments in high environmental performance machinery] Carbon management [Group GHG Inventory / first product EPD / ISO 14067 certification]	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	**7.2** Increase the share of renewable energy in total energy consumption. **7.3** Improvement of energy efficiency. **13.2** Integrate climate change measures into national policies, strategies and planning
E2 Pollution				
Pollution of air	Pollution prevention	Strengthen the control of environmental impacts associated with pollution through investments in the best available technologies, preventive maintenance of plants, monitoring of chemical substances and periodic verification of emissions and environmental performance.	3 GOOD HEALTH AND WELL-BEING 13 CLIMATE ACTION	**3.9** Substantially reduce the number of deaths and illnesses caused by hazardous chemicals and by contamination and pollution of air, water and soil. **13.2** Integrate climate change measures into policies, national strategies and planning

Material topics	Objectives	Actions	SDGs	Target
E3 Water and marine resources				
Water	Improving efficiency in the use of water resources	Promote the efficient use of water resources through consumption monitoring and the adoption of measures to improve efficiency and assess risks linked to water stress.	6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution and the release of chemicals, halving the quantity of untreated wastewater and significantly increasing recycling and safe reuse globally.
E4 Biodiversity and ecosystems				
Impacts on the extent and condition of ecosystems	Protection and promotion of biodiversity	Invest in local area and community projects and initiatives, including through sponsorships and local partnerships.	15 LIFE ON LAND	**15.5** Adopt urgent measures to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, prevent the extinction of threatened species.
E5 Resource use and circular economy				
Resource inflows, including resource use Resource outflows associated with products and services	Resource use and circular economy Reducing the environmental impact of processes and promoting the circular economy	Strengthen the circular economy model by enhancing the value of recycled materials, reducing the waste generation and adopting solutions aimed at reuse and the optimisation of resources and packaging.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** Achieve the sustainable management and efficient use of natural resources.
Social				
E5 Resource use and circular economy				
Working conditions Equal treatment and opportunities for all	Ensure knowledge and skills for sustainable development	ESG training programme for employees and the integration of a sustainable culture into business processes.	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	**4.4** By 2030, substantially increase the number of young people and adults who have relevant skills – including technicaland vocational skills – for employment and decent jobs **8.3** Promote development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation. **8.8** Protect the right to work and promote a healthy and safe working environment for all workers
	Promote equal opportunities, diversity and inclusion, fostering gender balance and recognising women's leadership.	Promote female participation and leadership at all decision-making levels Adoption of inclusive selection procedures Ensure equal career opportunities Develop a welfare system across all Group sites		
	Protect health, safety and well-being in the workplace	Achieve a high standard of occupational health and safety across all Group sites.		

Material topics	Objectives	Actions	SDGs	Target
E5 Resource use and circular economy				
Working conditions Other labour-related rights	Supply chain traceability	Strengthen supplier control and qualification processes, promoting shared standards on environmental, social and governance sustainability.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**8.8** Protect the right to work and promote a healthy and safe working environment for all workers **12.6** Encourage businesses, in particular large multinational companies, to adopt sustainable practices
E5 Resource use and circular economy				
Working conditions Equal treatment and opportunities for all	Ensure knowledge and skills for sustainable development	ESG training programme for employees and the integration of a sustainable culture into business processes.	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**3.9** Substantially reduce the number of deaths and illnesses from hazardous chemicals and contamination and pollution of air, water and soil. **12.6** Encourage businesses, in particular large multinational companies, to adopt sustainable practices
	Promote equal opportunities, diversity and inclusion, fostering gender balance and recognising women's leadership.	Promote female participation and leadership at all decision-making levels Adoption of inclusive selection procedures Ensure equal career opportunities Develop a welfare system across all Group sites		

02 Environmental Disclosures

Climate change

Pollution

Water and marine resources

Biodiversity and ecosystems

Resource use and circular economy

Climate change

Topic	Sub-topic	SDGs
E1 Climate change	Climate change adaptation Climate change mitigation Energy	 

Transition plan for the mitigation of climate change

ESRS Standard
ESRS 2 BP-1, BP-2

The Group has initiated preliminary analyses aimed at identifying the best approach to this matter. For the targets relating to the reduction of GHG emissions, please refer to sections E1-3 ‘<u>Actions and resources in relation to climate change</u>’ and E1-4 ‘<u>Targets related to climate change mitigation and adaptation</u>’.

Gnutti Group has not adopted a formalised transition plan for climate change mitigation, aimed at ensuring that its corporate strategy and business model are aligned with the objective of limiting global warming to 1.5°C, in line with the provisions of the Paris Agreement. It should finally be noted that there are no locked-in GHG emissions resulting from the company’s key products and assets.

Material impacts, risks and opportunities associated with climate change

ESRS Standard
ESRS 2 SBM-3, ESRS 2 IRO-1

Impacts	
Energy	Negative impacts: consumption of energy from production activities and along the value chain. In particular: a) hot forging / machining process; b) along the entire value chain, from the procurement of raw materials through to the product transport stages.
Climate change mitigation	Negative impacts: GHG emissions generated by the consumption of electricity, diesel, natural gas and LNG in production processes and along the value chain (during raw material sourcing; transport and logistics activities; waste management; and the end-of-life stage of products).

Risks and opportunities	
Energy	**Opportunities** Opportunities to access incentive and investment support measures aimed at improving the energy efficiency of production processes and the self-generation of energy from renewable sources. These instruments can support the reduction of energy consumption and operating costs, improving plant efficiency and mitigating the Group’s exposure to volatility in energy prices.

Risks and opportunities	
Climate change mitigation	**Risks** Transition risks (regulatory, technological and market-related) linked to the possible introduction of regulations requiring the use of technologies and solutions with a lower climate impact in the sector in which the Group operates. These regulations may make it necessary to upgrade production technologies and machinery, with potential effects on operating costs, investment in product and process innovation, and the adaptation of the product range to future market requirements in terms of energy efficiency and emissions reduction.
	Opportunities Opportunities linked to the development and manufacture of innovative products with high technical performance, which can support more energy-efficient solutions in the relevant sectors of application.
Climate change adaptation	**Risks** Physical risks, both acute and chronic, arising from the increase in the frequency and intensity of extreme weather events may compromise operational continuity, with possible disruptions to production and logistics activities and impacts on the supply chain, including interruptions and limitations in the availability of raw materials, with effects on the continuity and quality of supplies.

Gnutti Group has assessed its impacts, risks and opportunities relating to climate change, taking into account not only its own operations, but also all activities along the value chain, both upstream and downstream.

The assessment is based on the outcomes of the Risk Assessment conducted by the Group and on the context analysis carried out as part of the environmental management system. No specific resilience analysis has been made.

The risk analysis took into account:

- **internal context** – relating to the corporate organisation, the governance structure and the dynamics of the markets in which the Group operates. It includes corporate culture, understood as the level of communication and awareness regarding internal strategies and policies, the skills and resources available, the tools supporting the effective management of activities and, more generally, the operating environment in which the Group and its employees operate.
- **External context** – comprising external factors that affect the Group's activities, including energy dependence in terms of consumption and costs, the market environment and geopolitical instability. This includes the role of suppliers, customers, credit institutions, banks, standardisation bodies and the impacts arising from exceptional events linked to climate change.

Based on the analysis of the context of the Group's environmental management system, an organisational model capable of ensuring business continuity was defined and risk management procedures were defined to ensure business continuity and monitor the evolution of potential risks.

Methodological approach

The physical risk analysis is based on a statistical analysis of historical georeferenced data relating to the Group sites under assessment, and is integrated with exposure factors specific to the local territorial context. This approach made it possible to define an aggregate risk profile for extreme weather events, subsequently supplemented qualitatively with the climate change evolution scenario from the IPCC Sixth Annual Report (2023)[1]. Climate projections aligned with the scenario determined by the **Representative Concentration Pathways 8.5** (**RCP8.5**), or SSP5-8.5 (Shared Socioeconomic Pathways 8.5), have been used which **envisages warming exceeding 4°C during the 21st century,** with a probability greater than / equal to 50%, and according to which one of the main effects of climate change is the increase in global temperatures.

The analysis of transition risks and opportunities was carried out with reference to the Stated Policy Scenario (STEPS) modelled by the International Energy Agency (IEA) in the World Energy Outlook 2025 (WEO2025)[2].

The STEPS (associated with a 2.5°C increase in global temperature by 2100) is an exploratory scenario: it takes a snapshot of a set of initial conditions, such as policies and targets, and analyses their possible development on the basis of models that represent energy systems and reflect market dynamics and technological advances. Provides an overview of the policies and regulations currently in force, as well as

[1] IPCC (2023) AR6 Synthesis Report: Climate Change 2023, AR6 Synthesis Report
[2] IEA (2025) World Energy Outlook 2025, CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A)

those formally presented but not yet adopted, and assumes that expiring policies will be extended over time. STEPS offers a more dynamic perspective on energy technologies and market trends, allowing for a slightly faster introduction of new energy technologies than in the current policies scenario.

Analysis	Scenario / Source	Time horizon
Physical risks	RCP8.5 / SSP5-8.5 - IPCC Sixth Assessment Report (2023)	2035 / 2050
Transition risks	STEPS – IEA WEO2025	2030 (short term) / 2035 (medium term) / 2050 (long term)

Analysis of risks and opportunities

Transition and physical risks can have significant impacts on operational continuity, arising through:

- **Reduction in revenue**: decline in demand for certain products, loss of competitiveness, contraction of the customer portfolio, increased adaptation and technological innovation costs, introduction of carbon pricing mechanisms and possible operational disruptions resulting from physical damage linked to climate change.
- **Increase in operating costs and investments**: **investments** in new technologies, higher energy costs, necessary adjustments along the value chain and adoption of mitigation and adaptation measures for extreme weather events.
- **Increase in legal and compliance costs**: potential litigation arising from failure to comply with applicable regulations and the effort required to ensure regulatory compliance.

Gnutti Group has carried out a qualitative analysis of the potential physical and transition risks to which it could be exposed, which are summarised below.

Physical risks[3]
Acute
• Increase in the intensity and frequency of extreme weather events due to climate change, such as heavy rainfall, hailstorms, wind gusts and lightning, which may damage electrical infrastructure and cause physical damage to facilities, buildings and production infrastructure. • Increased intensity and frequency of flood risk associated with the worsening impacts of climate change, with potential damage to infrastructure assets, operational disruptions and deterioration of goods and materials.
Chronic
• Increased operating costs and possible reductions in productivity linked to rising temperatures, which may lead to higher energy consumption for cooling production processes, reduced plant efficiency and possible production stoppages, as well as heat stress conditions for workers. Rising temperatures and their related effects may also undermine the reliability of the value chain.

The **flood risk** was found to be significant for the Tiemme sites in Valencia and Athens, as they are located in areas that have already experienced flood events and could be exposed to such phenomena again due to the intensification of climate change. The risk associated with rising temperatures was assessed qualitatively on the basis of global climate scenarios, considering the potential effects on the Group's production systems and related value chains. The **transition risks** were analysed on the basis of developments in the regulatory, technological, energy and market contexts, as outlined in the reports of the International Energy Agency (IEA). The use of reference scenarios made it possible to estimate the main market trends through to 2050, including the expected increase in the price of CO_2, the potential volatility of energy prices used in production activities and the risks of instability in the supply of raw materials, linked both to the geographical concentration of resources and to rising demand. The analysis also made it possible to assess the expected evolution of purchasing dynamics and the preferences of market players, enabling the identification of potential market risks and opportunities associated with changes in customer demand, the evolution of regulatory and technological requirements, and access to clean technologies.

[3] The analysis of physical risks also considered the potential acute risk of landslides. The georeferenced assessments, supported by an analysis of historical events recorded in the area, showed that the risk was of negligible significance; for this reason, it was not classified as significant.

Transition risks
Regulatory
▸ Tightening of the regulatory framework on materials (recyclability, recycled material content, hazardous substances), product ecodesign requirements and carbon footprint limits, as well as an increase in the price of CO_2 resulting in higher energy costs.
Market-related
▸ Supply risk due to rising costs and limited market availability of critical minerals (such as copper and aluminium), caused by the decline in the quality of mined minerals, higher investment costs, the limited discovery of new resources, the long development times for extraction projects and the high concentration of supply in a small number of countries. ▸ Risk of loss of competitiveness arising from the product's inability to meet, at the same time, the sustainability (ESG) or carbon footprint requirements and the economic criteria required by the market, resulting in reduced access to customers and supply chains.
Technological
▸ Risk of investments in assets and production processes subject to a potential early loss of economic value, due to the evolution of climate regulation, energy price trends and the development of decarbonisation technologies, as well as any delays in their adoption.

The analysis of the consequences of climate change also enabled the identification of opportunities for Gnutti Group:

Opportunities
Market
▸ Energy efficiency actions, electrification and the self-generation of energy from renewable sources, supported by incentive measures and by the gradual reduction in the costs of clean technologies due to their increasing uptake, represent an opportunity to reduce operating costs and achieve greater independence from the volatility of fossil fuel energy prices, which are exposed to uncertain market dynamics ▸ Access to new markets and strengthening of the Group's competitiveness through the development and commercialisation of high-performance components capable of meeting emerging requirements for energy efficiency, electrification, durability, carbon footprint reduction and material optimisation..

These opportunities may generate positive impacts on the Group's business, enabling:

- **Higher margins** thanks to reduced energy costs and improved production continuity through greater energy autonomy;
- **Increase in revenue** through access to new market segments.

Policies on climate change mitigation and adaptation

ESRS Standard
ESRS E1 E1-2, ESRS 2 MDR-P

Gnutti Group takes environmental considerations into account in its operational management and business initiatives, with the aim of reducing the negative impacts of its activities. As indicated in the **Group Code of Ethics,** Gnutti Group is committed to promoting a responsible approach aimed at minimising the environmental impact of business activities and pursuing the progressive reduction of emissions.

The Group's approach to environmental protection is supported by Gnutti Cirillo S.p.A.'s adoption of the **corporate ESG Policy "Quality, Health and Safety, Environment and Energy"**, which strengthens its commitment to promoting an approach aimed at monitoring and reducing the company's Carbon Footprint (Scopes 1, 2 and 3) in accordance with the GHG Protocol standards and ISO 14067:2018. This commitment is also reflected in the improvement of energy performance through investments in self-generation from renewable sources – via photovoltaic systems – the adoption of high-efficiency technologies and procurement from renewable sources.

Environmental policies and Management Systems

Gnutti Cirillo S.p.A. has adopted an **Energy Management System compliant with ISO 50001** and an **Environmental Management System compliant with ISO 14001**, which enable it to monitor, measure and optimise energy consumption within its production facilities. The management systems include the setting of specific and measurable objectives, reviewed annually, aimed at improving the company's energy performance, reducing waste and promoting more efficient and sustainable use of energy. The environmental policies, which form part of the management system, are based on the principles of continuous improvement, prevention of impacts and compliance with applicable regulations, promoting responsible and transparent management of business processes. **Gnutti Cirillo S.p.A. has adopted the ISO 14067 standard for quantifying the product Carbon Footprint, analysing the greenhouse gas emissions generated throughout the entire product life cycle.** The analysis provides a tool to support initiatives aimed at progressively reducing emissions, both within the Company and along the supply chain. The Strategic Sustainability Board plans and steers the company's climate policies.

Actions and resources relating to climate change

ESRS Standard
ESRS E1 E1-3, ESRS 2 MDR-A

The implementation measures of the Corporate ESG policy include, as far as technically and economically feasible, adopting all available solutions to reduce climate impact through the decarbonisation of production processes. To this end, the following actions are being prioritised:

- Adopt procedures to monitor energy consumption and systematically reduce waste
- Install systems for the production of energy from renewable sources
- Purchase energy generated from renewable sources
- Invest in projects to improve the energy efficiency of machinery, plants and processes
- Engage suppliers by encouraging them to adopt initiatives to decarbonise their production processes

Gnutti Group has launched targeted initiatives to integrate the management of climate-related aspects into its operations, with the aim of reducing its environmental impact, particularly energy consumption and greenhouse gas emissions.

Sourcing energy from renewable sources

Gnutti Cirillo sources **electricity certified under Guarantee of Origin (GO)** contracts, which attest to the energy's origin from renewable sources.

From 2025, Gnutti Cirillo has joined the **national Energy Release 2.0 mechanism**, a mechanism designed to support the installation of new electricity generation capacity from renewable sources. In 2025, the Company obtained 8,588 MWh of energy certified by Guarantees of Origin through this mechanism.

Production of energy from renewable sources

The Group promotes the use of renewable sources as a strategic lever to reduce dependence on fossil fuels and limit its greenhouse gas emissions. At the Odolo plant, a photovoltaic system with a capacity of 2.2 MW was installed in 2024, which **during 2025 generated 2,023 MWh of electricity**, covering 7.1% of Gnutti Cirillo S.p.A.'s total electricity requirement. At the end of 2025, a second photovoltaic system was installed at the Lumezzane plant, with a total capacity of 250 kW.

Energy efficiency initiatives

Gnutti Cirillo S.p.A. has completed the **lighting upgrade of its production departments** through the installation of high-efficiency LED lighting systems, with estimated energy savings of 71 tonnes of oil equivalent (toe) in 2025. Finally, an energy monitoring system integrated with accounting control activities has been adopted, with the aim of improving the traceability of consumption, oversight of energy costs and the identification of further efficiency opportunities.

Emission reduction initiatives

With regard to corporate mobility, Gnutti Cirillo S.p.A. has introduced specific monitoring of rental vehicles assigned to sales personnel, including the **promotion of and guidance on the use of electric vehicles.** To support this journey, in 2025 the role of Fleet Manager was established, with dedicated responsibilities for managing the company fleet and promoting more efficient operating solutions with a reduced environmental impact. In line with its commitment to environmental sustainability, low-emission vehicles and green transport options (e.g. electric cars) are preferred whenever circumstances allow. Their use is continuously monitored and actively encouraged.

At the Lumezzane plant, there is a heat recovery **system for heat produced by the compressors,** which enables the facilities to be heated, partly avoiding the consumption of methane gas associated with starting up the boilers.

Carbon management

The UNI EN ISO 14067 standard defines the principles, requirements and guidelines for quantifying and communicating the product Carbon Footprint (CFP), based on Life Cycle Assessment (LCA). In this context, Gnutti Cirillo S.p.A. has launched a **project designed to measure the product carbon footprint**, with the objective of assessing the greenhouse gas emissions associated with products throughout their entire life cycle, including not only internal processes but also the upstream and downstream stages of the value chain. The approach adopted provides a structured and internationally recognised methodology for monitoring and communicating the environmental performance of products.

Gnutti Cirillo has developed a **product EPD (Environmental Product Declaration) for stamped and machined brass components, in accordance with ISO 14025** and with verification by an independent third-party body under the International EPD System. The statement is based on a Life Cycle Assessment (LCA) study and analyses the entire product life cycle, including the procurement of raw materials, transport, production and the end-of-life stage. The EPD also highlights the use of brass with recycled content and the use of primary data collected directly at the Odolo and Lumezzane plants.

Tiemme has developed an **EPD concerning the production of the** COBRAPEX pipe. By the end of 2026, two LCA studies are also planned for certain families of fittings.

Targets related to climate change mitigation and adaptation

ESRS Standard
ESRS E1 E1-4, ESRS 2 MDR-T

The Group has not set specific quantitative targets for GHG emissions reduction, expressed in absolute or intensity terms, nor targets with a defined base year and time horizon. In line with the work begun in previous financial years, **qualitative objectives have been defined.**

Material topics	Objectives	Actions	SDGs	Target
Environmental				
E1 Climate change				
Climate change mitigation Climate change adaptation Energy	Optimisation of energy efficiency and reduction of GHG emissions	Increase the share of renewable energy Improvement of energy efficiency [Investment in environmentally efficient machinery] Carbon management [Group GHG Inventory / first product EPD / ISO 14067 certification]	 	**7.2** Increase the share of renewable energy in total energy consumption. **7.3** Improvement of energy efficiency. **13.2** Integrate climate change measures into national policies, strategies and planning

Energy consumption and energy mix

ESRS Standard
ESRS E1 E1-5, ESRS 2 MDR-M

Energy from fossil fuels

The Group's energy procurement includes the use of energy from fossil sources, used to support the continuity of production processes and operational activities. The main types of energy and fuels used are:

- **Electricity purchased from fossil sources**, used in production processes and for general utility purposes;
- **Fuels**, in particular diesel and petrol, used for owned vehicles in support of the Group's commercial and operational activities;
- **Natural gas**, used for production activities, particularly for heating connected with the operation of tempering furnaces, as well as for heating workspaces and powering certain vehicles.

Energy from renewable sources

The Group also meets its electricity requirements through procurement from renewable sources and in-house generation.

- **Electricity purchased with Guarantee of Origin (GO)**: a portion of the electricity used by Gnutti Cirillo S.p.A. and Elettromaule Component is covered by supplies with a Guarantee of Origin, through purchase agreements and, from 2025, also through participation in the Energy Release 2.0 mechanism.
- **Self-generated electricity from photovoltaic systems**: photovoltaic plants have been installed at Gnutti Cirillo S.p.A. for the self-consumption of the energy produced.

Energy consumption

Energy consumption relates to the facilities of Gnutti Cirillo, Tiemme, Tiemme Systems, Tiemme Hellas, Valvosanitaria Bugatti, Elettromaule Component and MFT; it is expressed in MWh, showing the breakdown between renewable and fossil sources. In 2025, the Group's total energy consumption was **42,489 MWh,** of which 23.7% came from renewable sources and 76.3% from fossil sources. Compared with 2024, overall consumption decreased by 3.3%.

Trend in energy consumption from fossil fuel sources

In 2025, energy consumption from **fossil sources decreased by 13.4%** compared with 2024, and its share of the total fell from 85.2% to 76.3%. The decrease was mainly due to the reduction in electricity purchased from fossil sources, made possible by greater use of electricity from renewable sources. There was also a slight reduction in consumption of petroleum-derived fuels, particularly diesel fuel for vehicles. This trend is due to the replacement of certain vehicles, which switched from diesel-powered to petrol-powered. The slight increase in natural gas consumption (+3.8%) is due both to changes in production levels and to the greater need for heating at the Group's facilities, linked to colder temperatures in 2025. This increase does not alter the overall trend in energy consumption from fossil sources which, as highlighted, is nevertheless down in 2025 compared with the previous year.

Trend in energy consumption from renewable sources

Energy consumption from renewable sources reached 10,073 MWh in **2025**, with a sharp **54.9% increase** compared with 2024. In 2025, **renewable energy accounted for 23.7% of the Group's total energy consumption**, up from 14.8% in 2024. This performance was attributable to the increase in electricity purchased with Guarantees of Origin, for a total of 8,613 MWh. Of the total, 8,588 MWh relate to Gnutti Cirillo's participation in the Energy Release 2.0 mechanism. All the Group's activities in 2025 are considered to belong to high climate impact sectors (sections A, H and L of Regulation (EC) No. 1893/2006 of the European Parliament and of the Council).

Business model	2025	2024
E1 Climate change		
Fuel consumption from coal and coal products	-	-
Consumption of fuel from crude oil and petroleum products	1.879	1.929
of which: Automotive diesel fuel	898	1,012
of which: Automotive petrol	981	917
Consumption of fuel from natural gas	9,154	8,815
of which: Natural gas for heating	3.317	3.196
of which: Natural gas for production	5.833	5,616
of which: Natural gas for road transport	4	3
Consumption of fuels from other non-renewable sources	-	-
Consumption of electricity, heat, steam or cooling from purchased or acquired fossil sources	21,383	26,670
of which: Purchased electricity	21,383	26,670
Total energy consumption from fossil fuels (MWh)	32,416	37,414
Share of fossil sources in total energy consumption (%)	76.3%	85.2%
Energy from nuclear sources		
Total consumption of energy from nuclear sources (MWh)	-	-
Share of nuclear sources in total energy consumption (%)	-%	-%
Energy from renewable sources		
Consumption of fuels for renewable sources, including biomass	-	-
Consumption of electricity, heat, steam and cooling from purchased or acquired renewable sources	8,613	5,026
of which: Electricity purchased under Guarantee of Origin contracts	8,613	5,026

Business model	2025	2024
Consumption of self-generated renewable energy without the use of fuels	-	-
of which: Electricity generated by the photovoltaic system	2,023	2,052
Less: energy exported to the grid	563	575
Total energy consumption from renewable sources (MWh)	10,073	6,503
Share of renewable sources in total energy consumption (%)	23.7%	14.8%
Total energy consumption (MWh)	**42,489**	**43,917**

Conversion factor source:

Fuels: Greenhouse gas reporting: conversion factors 2025 - GOV.UK
Natural gas: Greenhouse gas reporting: conversion factors 2025 - GOV.UK

Energy intensity

The Group's energy intensity ratio for climate-intensive sectors, defined as the **ratio of total energy consumption to net revenue**, is presented below. In 2025, the energy intensity ratio was **0.15 MWh/€1,000**, in line with the previous year.

Business model	Unit	2025	2024
Energy consumption	MWh	42,489	43,917
Net revenue	€	282,313,109	298,464,808
Intensity index	**MWh/€1,000**	**0.15**	**0.15**

GHG emissions

ESRS Standard

ESRS E1 E1-6, ESRS 2 MDR-M

Total emissions

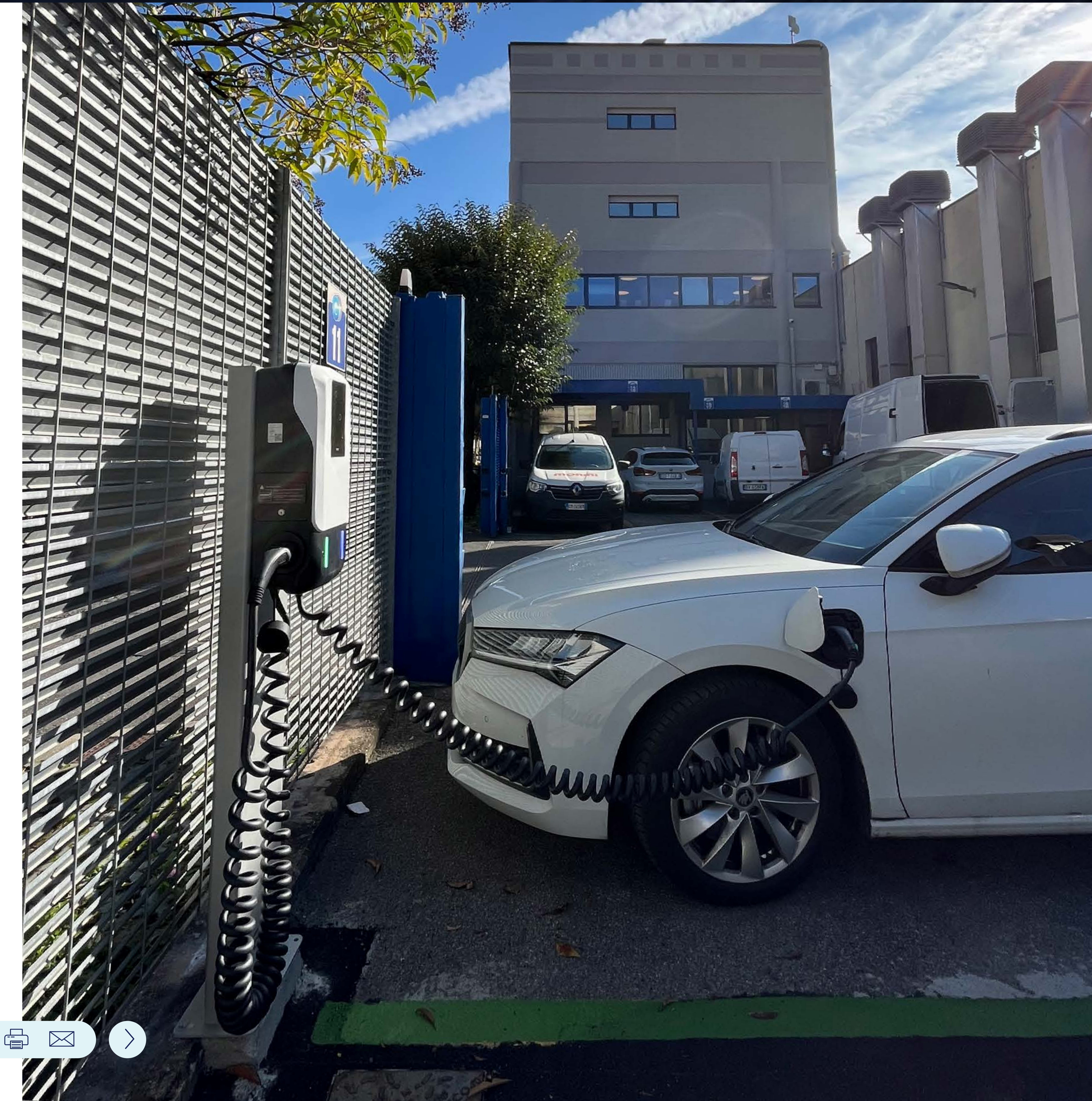
The tables quantify the Group's greenhouse gas (GHG) emissions for the two-year period 2024-2025, expressed in tonnes of CO_2 equivalent (tCO_2e). The data are broken down by emission scope and comprise direct emissions (GHG Scope 1) and indirect emissions associated with electricity consumption (GHG Scope 2).

The trend in **total emissions in 2025 shows a 3.76% decrease in location-based emissions compared with 2024 and a 16.78% decrease in market-based emissions**. For further clarification on these trends, please refer to the following sections.

Scope 2 emissions are reported using the two approaches set out in the GHG Protocol: location-based and market-based.

Emissions - GHG/CO_2 - Scope 1 + Scope 2 location-based tCO_2e	2025	2024
Total GHG emissions Scope 1	2,329	2,316
Total GHG Scope 2 emissions – location-based	6,699	7,065
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 – location-based)	**9,028**	**9,381**

Emissions - GHG/CO_2 - Scope 1 + Scope 2 location-based tCO_2e	2025	2024
Total GHG emissions Scope 1	2,329	2,316
Total GHG Scope 2 emissions – market-based	9,167	11,499
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - market-based)	**11,496**	**13,815**



Direct emissions - GHG Scope 1

The **direct emissions (GHG Scope 1)** include emissions from stationary and mobile combustion, process emissions and fugitive emissions. These emissions mainly arise from the use of natural gas, motor fuels (diesel and petrol) and the release of F-Gas into the atmosphere. The calculation of Scope 1 emissions is based on primary data relating to the energy consumption described above and on the information provided in the maintenance reports for the air-conditioning systems within the Group's assets, with reference to F-Gases. The data, expressed in tonnes of CO_2 equivalent, are obtained by converting consumption of the various energy sources into greenhouse gas emissions, through the application of specific emission factors taken from the sources cited in the notes below the table. In 2025, Scope 1 emissions show a slight increase compared with 2024 (+0.6%). This change is mainly due to higher consumption of natural gas for heating and production, in line with the description provided in the paragraph dedicated to energy consumption.

Emissions - GHG/CO_2 - Scope 1 tCO_2e	2025	2024
Fuels from crude oil and petroleum products	**460**	**470**
Automotive diesel fuel	233	257
Automotive petrol	227	213
Natural gas fuels	**1,857**	**1,788**
Natural gas for heating	673	648
Natural gas for production	1,183	1,139
Natural gas for road transport	1	1
F-gas (refrigerant gases released into the atmosphere / air-conditioning systems)	**12**	**58**
Total - Scope 1 Emissions	**2,329**	**2,316**

Emission factor source:

Fuels: Greenhouse gas reporting: conversion factors 2025 - GOV.UK
Natural gas: Greenhouse gas reporting: conversion factors 2025 - GOV.UK

The Group's direct Scope 1 emissions are not covered by regulated emissions trading schemes. It should be noted that Gnutti Group's activities do not generate biogenic emissions.

Indirect emissions - GHG Scope 2

The **indirect emissions** (**GHG Scope 2**) arise from electricity purchased from external suppliers for the Group's facilities. The data used for the calculation correspond to the electricity consumption set out above, net of the energy self-generated by renewable energy plants, in particular photovoltaic systems.

The calculation of indirect emissions from electricity consumption (**GHG Scope 2**) was carried out using both of the prescribed approaches – **location-based** and **market-based**:

- The **location-based method** provides for accounting for emissions arising from electricity consumption by applying national average emission factors for electricity generation.
- The **market-based method** requires GHG emissions – Scope 2 arising from the purchase of electricity to be determined by considering the specific emission factors reported by suppliers. For purchases of electricity from renewable sources, a zero tCO_2e emission factor is applied. Where no specific contractual agreements have been defined, the approach in question requires the use of national 'residual mix' emission factors, where technically applicable.

In 2025, Scope 2 emissions show a consistent trend under both the location-based and market-based approaches, as summarised below.

Location-based: emissions amount to 6,699 tCO_2e, down by **5.2%** compared with 2024. This approach is based on the average national energy mix and therefore does not reflect the specific contractual procurement choices. The reduction is due to the increased use of self-generated energy from the PV system, excluded from this calculation, which made it possible to reduce the volumes of electricity purchased, particularly from fossil sources.

Market-based: emissions stand at 9,167 tCO_2e, in **decrease** of **20.3%** compared with 2024. The figure considers only consumption not covered by contractual instruments certifying the renewable origin of the energy. The reduction over the 2025-2024 period is due to the increased use of electricity from renewable sources, supported both by the increase in purchases of certified energy through Guarantees of Origin and by higher production from PV systems, which reduced the share of procurement from fossil sources.

Overall, the trend in Scope 2 emissions is affected both by changes in electricity consumption and by the different procurement methods adopted in the countries in which the Group operates.

Emissions - GHG/CO_2 - Scope 2 tCO_2e	2025	2024
Purchased electricity - Location-based method	6,699	7,065
Purchased electricity - Market-based method	9,167	11,499

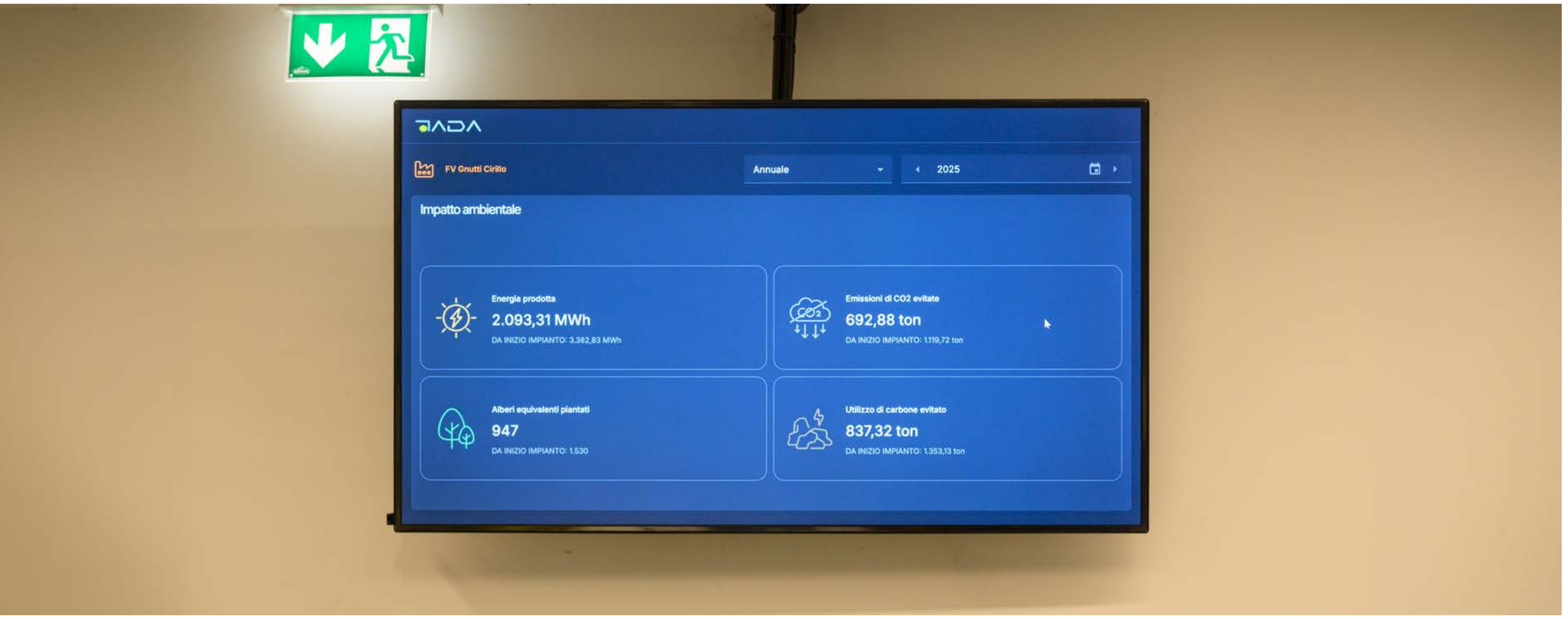
Emission factor source:

Electricity (location-based):

- Italy and Romania: Report 418/2025 - ISPRA Ministry of the Environment
- Greece Report 366/2022 - ISPRA Ministry of the Environment
- United States: US Env Protection Agency EPA eGrid

Electricity (market-based):

- Italy, Romania and Greece: European Residual Mix | AIB
- United States: US Env Protection Agency EPA eGrid

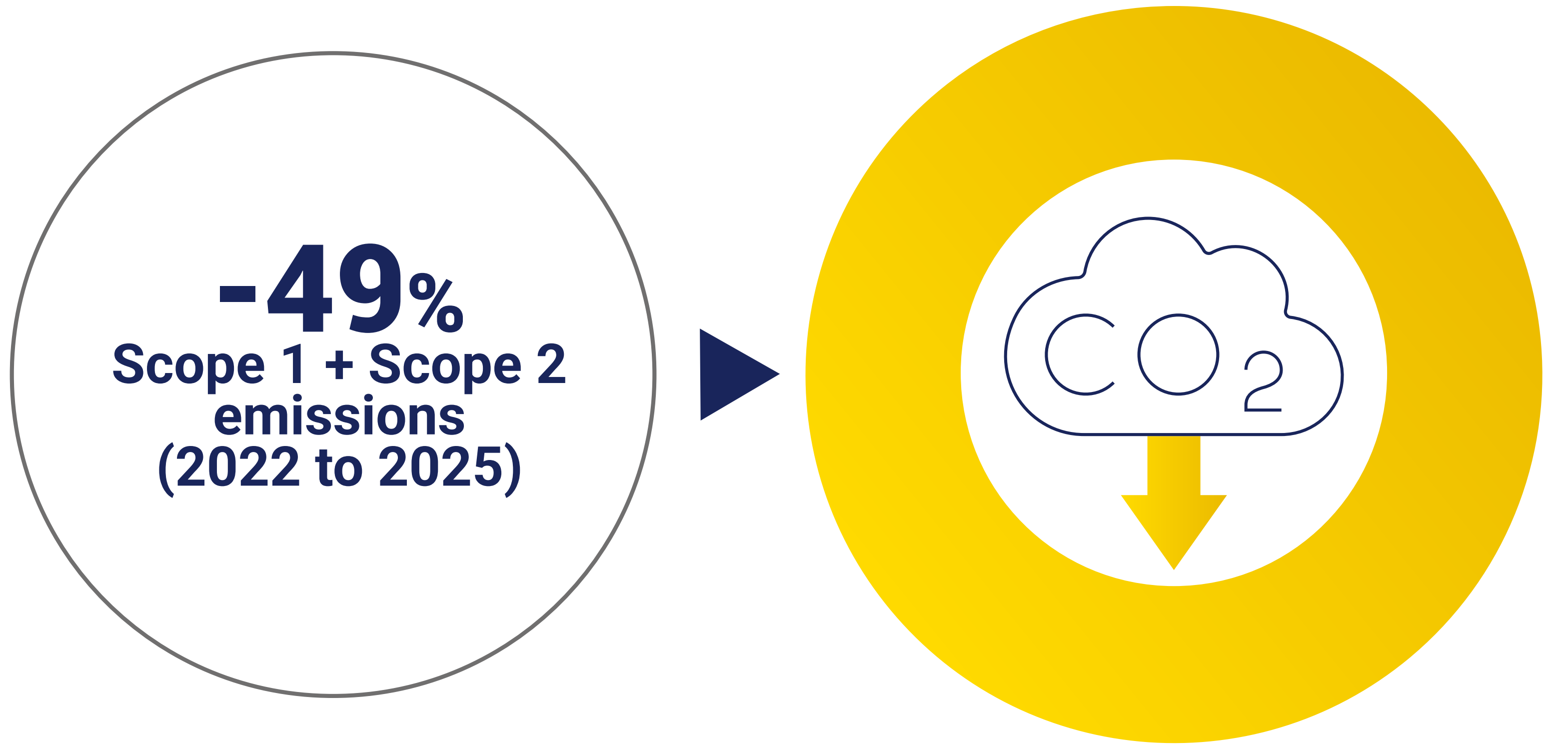


Emissions intensity

The following table presents the intensity ratios of the GHG emissions (Scope 1 - Scope 2), measured against the net revenue data for the year (in a similar way to the calculation performed for the energy consumption intensity ratios). In 2025, emissions intensity according to the location-based method increased slightly (+1.7%) compared with 2024, while under the market-based method it decreased (-12%), thanks to lower use of electricity from fossil sources.

Emissions intensity - Location-based	Unit	2025	2024
Intensity index	tCO_2e/€1,000	0.032	0.031

Emissions intensity - Market-based	Unit	2025	2024
Intensity index	tCO_2e/€1,000	0.041	0.046



Objectives achieved – Gnutti Cirillo (Gnutti Group)

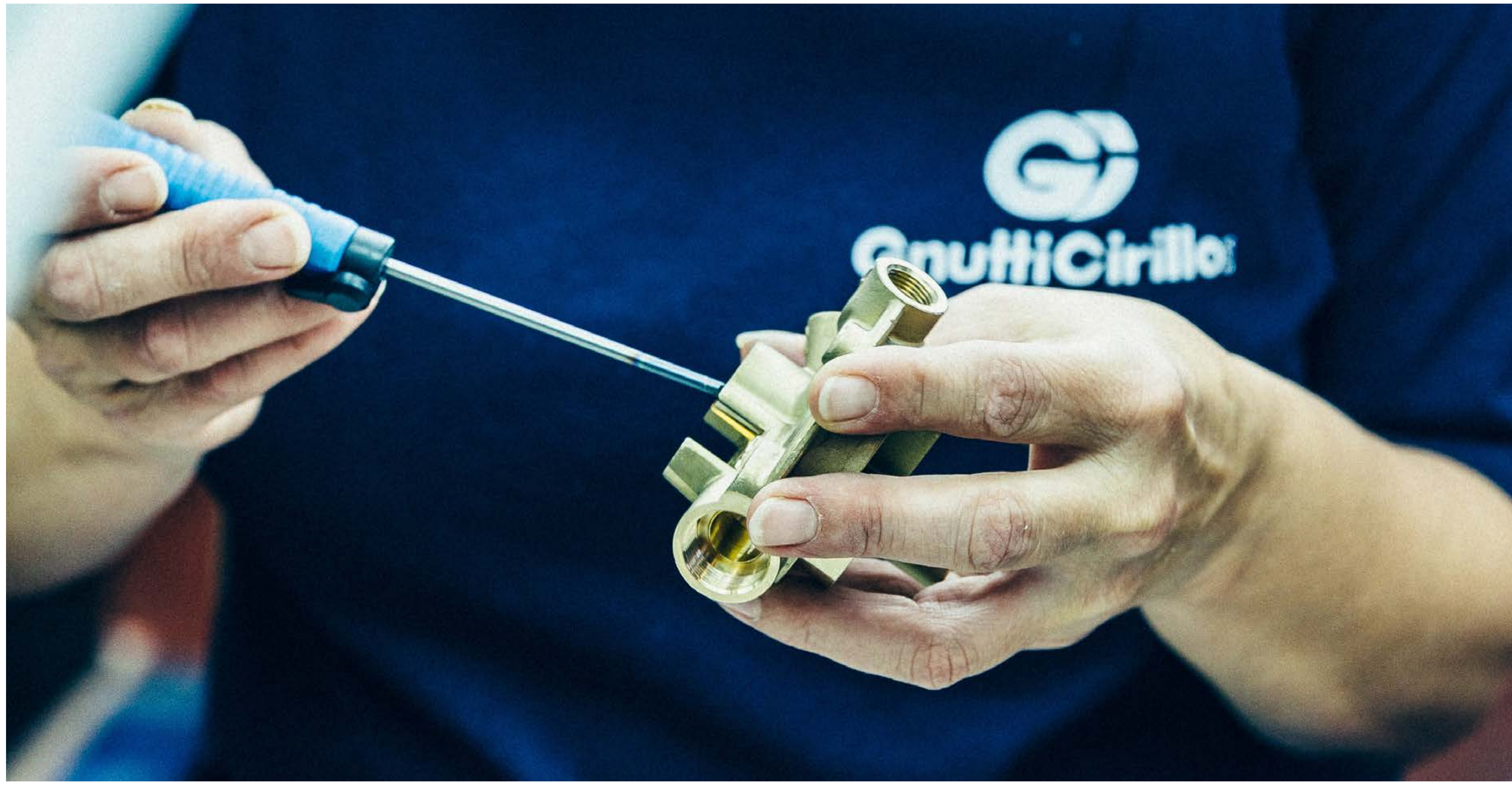
Indirect emissions – GHG Scope 3 Gnutti Cirillo

Scope 3 indirect emissions, calculated for 2025 and 2024 for Gnutti Cirillo only, relate to activities not directly controlled by the organisation, but generated along the upstream and downstream value chain. The scope of the analysis used the 15 emissions categories identified by the Greenhouse Gas (GHG) Protocol as a reference, which defines the criteria and methodologies to be applied to determine an organisation's direct and indirect emissions. The process of identifying the categories relevant for Gnutti Cirillo S.p.A. involved various company roles and functions through interviews and further analysis, with the aim of defining a significance matrix in line with the GHG Protocol.

The results of the analysis and the categories identified as relevant on the basis of size, influence, risks and stakeholders involved are set out below:

Scope 3 category (GHG Protocol)*	Description and impact on Gnutti Cirillo
Category 1 - Purchased goods and services (upstream)	Emissions associated with the production of the main goods purchased and used in production processes, such as brass.
Category 3 – Energy consumption not included in Scope 1 and Scope 2	Emissions associated with the production of fuels and purchased energy and consumed by the Company in the reporting year, which are not already included in Scope 1 and Scope 2.
Category 4 - Upstream transportation and distribution	Impact associated with the transport and distribution of purchased products in vehicles and facilities not owned or operated by the Company.
Category 5 - Waste generated by process activities (upstream)	Emissions arising from the disposal and treatment by third parties of waste generate by the Company's activities.
Category 6 - Business travel (upstream)	Emissions arising from business travel undertaken by employees in vehicles not owned or controlled by the Company, such as aircraft, trains, buses or employees' own vehicles.
Category 7 - Employee commuting (upstream)	Impact associated with Company employees travelling between their homes and workplaces.
Category 9 - Transport and distribution of the finished product (downstream)	Emissions associated with the transport and distribution of products sold to final consumers in vehicles not owned or controlled by the Company.
Category 12 - End-of-life treatment of sold products (downstream)	Emissions arising from the end-of-life treatment by third parties of products sold by the Company.

* The categories '2 Capital goods', '8 Upstream leased assets', '10 Processing of sold products', '11 Use of sold products', '13 Downstream leased assets', '14 Franchises' and '15 Investments' were not found to be relevant.



The methodologies adopted to calculate Scope 3 GHG emissions were defined based on the availability of data relating to the reporting period and the degree to which information collection processes along the value chain were structured. The table below shows the GHG emissions for each Scope 3 category:

Indirect emissions - GHG / CO_2 - Scope 3 (tCO_2e)*	2025	2024
Category 1 - Purchased goods and services (upstream)	46.787,16	57.013,30
Category 3 – Energy consumption not included in Scope 1 and Scope 2	2.787,02	3.790,30
Category 4 - Upstream transportation and distribution	322.32	166.76
Category 5 - Waste generated by process activities (upstream)	1.46	2.20
Category 6 - Business travel (upstream)	157.06	107.81
Category 7 - Employee commuting (upstream)	731.02	705.05
Category 9 - Transport and distribution of finished products (downstream)	5,779.58	5,889.61
Category 12 - End-of-life treatment of sold products (downstream)	29.47	27.64
Total Scope 3 emissions	**56,595.09**	**67,702.66**

* Emission factors: Ecoinvent database.

Emissions from **Category 1 – Purchased goods and services** represent the main component of Scope 3 emissions and account for **82.7%** of the total in 2025.

The 16.4% reduction in Gnutti Cirillo's Scope 3 emissions is mainly attributable to the refinement of the supplier scope and the improvement in the quality and completeness of the data used in the emissions calculation; this change therefore reflects a methodological refinement as well as, in part, operational dynamics. For 2025, factors more representative of the individual suppliers and their respective countries of origin were in fact adopted, replacing average factors derived from generic databases. This update made it possible to improve the accuracy of the emissions estimate, reducing reliance on average factors characterised by a more conservative approach.

Pollution

Topic	Sub-topic	SDGs
E2 Pollution	Pollution of air	 

Material impacts, risks and opportunities related to pollution

ESRS Standard

ESRS 2 SBM – 3, ESRS 2 IRO-1

Impacts	
Pollution of air	Negative (direct) impacts associated with emissions of pollutants into the atmosphere and noise emissions generated by the Group's production activities.
	Negative (indirect) impacts associated with the extraction, processing and transformation stages of metallic raw materials, which may generate emissions into the atmosphere and impacts on water resources.

Gnutti Group has assessed its impacts, risks and opportunities related to pollution by considering not only the activities carried out directly by the Group, but also the impacts generated along the upstream and downstream value chain. The Group's direct impacts concern **emissions into the atmosphere of dust and VOCs**, as well as the **release of contaminating substances** into surface water and groundwater during the product transformation and processing stages.

Within the upstream supply chain, the Group has identified an indirect negative impact connected with the mining, processing, smelting and primary transformation activities for the main metallic raw materials used in its production processes, in particular copper, brass and aluminium. These activities are associated with significant atmospheric emissions and pressures on water resources, generated by the mining and metallurgical processes carried out by third-party suppliers. In particular, the extraction and refining processes for non-ferrous metals release sulphur dioxide (SO_2), nitrogen oxides (NO_X), fine particulate matter ($PM_{2.5}$) and airborne heavy metals, including lead, arsenic and cadmium[1]. These emissions arise from non-ferrous metal smelting and refining processes, including diffuse and fugitive emissions associated with metallurgical plants. The extraction and processing of metal ores may lead to contamination of surface water and groundwater through acid mine drainage (AMD), the release of processing residues and the dispersion of persistent heavy metals[2].

Policies related to pollution

ESRS Standard

ESRS E2 E2-1, ESRS 2 MDR-P

Gnutti Group recognises the fundamental value of respect for the environment and pollution prevention. It therefore undertakes to ensure that these values become an integral part of the corporate culture, involving all personnel in actions aimed at protecting the environment. The **ESG Corporate Policy** 'Quality, Health and Safety, Environment and Energy' formalises Gnutti Cirillo S.p.A.'s commitment with regard to pollution. The Management is specifically committed to preventing and reducing environmental pollution generated by its activities, implementing practices to reduce, eliminate or prevent pollution at source. Gnutti Cirillo S.p.A. operates in compliance with the applicable legal requirements on environmental matters and with **any authorisations issued by the competent authorities**. In particular, compliance is ensured with the limits and conditions established for emissions to water and air.

[1] European Environment Agency — EMEP/EEA Air Pollutant Emission Inventory Guidebook 2023

[2] OECD Handbook on Environmental Due Diligence in Mineral Supply Chains (2023).

Actions and resources related to pollution

ESRS Standard
ESRS E2 E2-2, ESRS 2 MDR-A

Gnutti Group is committed to preventing and reducing environmental pollution. To this end, several methods for monitoring and managing environmental data have been introduced:

- Planning targeted investments using the best available technologies to replace filters or introduce noise mitigation measures
- Increase in preventive maintenance of plants > increased efficiency (fewer stoppages, lower consumption and reduced environmental emissions)
- Continuous monitoring of the use of chemicals in production departments
- Annual analyses to verify atmospheric emissions and compliance with regulatory limits, supported by periodic inspectionsvto ensure proper plant operation
- Periodic inspections of plant integrity in compliance with environmental standards

Gnutti Group adopts an approach based on constant monitoring and regular maintenance of its facilities – particularly filters and exhaust stacks. Monitoring and maintenance activities follow rigorous procedures, subject to periodic inspections and updates as necessary. The personnel involved are specifically trained and informed on the correct management of these procedures.

At the Gnutti Cirillo S.p.A. plants, plant compliance is ensured through the Environmental Management System, which includes scheduled monitoring of emissions, carried out also with the support of specialised environmental consultants. The continuous renewal of production lines enables the prevention of risks related to obsolescence and machinery malfunction. Since 2022, the following interventions have been implemented:

- **replacement of methane gas furnaces with electric furnaces;**
- **installation of new extraction** and abatement systems at the forging presses
- extraction systems for certain machinery in the mechanical department
- extraction systems for die sandblasters

Within its ISO 14001-compliant Environmental Management System, Gnutti Cirillo tracks its environmental performance through the implementation of specific KPIs. Gnutti Cirillo monitors pollutant emissions to ensure compliance with legal limits. At Gnutti Cirillo's plants in Lumezzane and Odolo, maintenance is carried out on abatement systems in accordance with the requirements set out in both the authorisation and the operating procedures in force under the Integrated Management System. In particular, extraordinary maintenance activities are entrusted to highly qualified external suppliers. Atmospheric emissions monitoring is conducted according to the deadlines established in the authorisation and is performed by accredited external laboratories. These allow verification of full compliance with the limits imposed by applicable regulations. At the Odolo site, no carcinogenic, teratogenic, or mutagenic substances are used in the plants that generate atmospheric emissions.

Noise

Gnutti Cirillo periodically conducts sound level surveys at sensitive locations and implements ongoing mitigation measures, such as installing sound-absorbing barriers on the systems with the greatest noise impact. In addition to routine inspections, extraordinary analyses are conducted in the event of significant changes to activities.

During the 2024-2025 two-year period, activities were launched for noise mitigation: installation of inverters on delivery pumps - identification and repair of compressed air leaks - adoption of blowing tools with silenced nozzles.

Pollution-related objectives

ESRS Standard

ESRS E2 E2-3, ESRS 2 MDR-T

The Group has defined certain **objectives** relating to the **control and prevention of air pollution**, consistent with the initiatives already launched in previous financial years. As at the reporting date, Gnutti Group has not yet set measurable, time-bound and outcome-oriented objectives for the material topics identified. Quantitative objectives will be defined more specifically as data collection and monitoring systems are progressively developed and the regulatory framework evolves.

Material topics	Objectives	Actions	SDGs	Target
Environmental				
E2 Pollution				
Pollution of air	Pollution prevention	Strengthen the control of environmental impacts associated with pollution through investments in the best available technologies, preventive maintenance of plants, monitoring of chemical substances and periodic verification of emissions and environmental performance.	 	**3.9** Substantially reduce the number of deaths and illnesses from hazardous chemicals and from contamination and air, water and soil pollution. **13.2** Integrate climate change measures into national policies, strategies and planning

Air pollution

ESRS Standard
ESRS E2 E2-4, ESRS 2 MDR-M

Pollution of air

The environmental impact due to the Group's atmospheric emissions mainly concerns Gnutti Cirillo, in relation to pollutants arising from the use of chemicals in the production cycle and the combustion of natural gas; for this reason, the data reported below relate exclusively to Gnutti Cirillo.

Atmospheric emissions generated by Gnutti Cirillo's plants derive from two categories of sources:

- **Process sources:** hot forging of brass and subsequent machining operations. The use of lubricants and technical fluids at high temperatures generates oil mists, organic vapours (VOCs, aldehydes), metal dust and traces of polycyclic aromatic hydrocarbons (PAHs).
- **Combustion sources:** natural gas-fired thermal plants, used for space heating and for certain production furnaces (hardening furnaces in Lumezzane; residual forging furnaces in Odolo). The combustion of methane generates CO_2 and local pollutants such as NO_x, CO and traces of SO_2.

In recent years, at the Odolo plant, Gnutti Cirillo has begun progressively replacing methane-fired furnaces with electric technologies, with a twofold benefit: a reduction in direct climate-related emissions and a decrease in local combustion pollutants.

Authorisation framework

Plant	Authorisation regime	Regulatory reference
Lumezzane – Gnutti Cirillo	General authorisation for installations and activities by way of derogation Single Environmental Authorization (SEA) No. 1093 of 31/03/2025, as amended	Art. 272 c 2 Legislative Decree 152/2006 — Annex IV, Part I, Part Five
Odolo – Gnutti Cirillo	Single Environmental Authorization (SEA) No. 1093 of 31/03/2025, as amended	Presidential Decree 59/2013

At both sites, **no substances classified as carcinogenic, mutagenic or toxic to reproduction** (CMR) are used, pursuant to Regulation (EC) No 1272/2008 (CLP) — hazard statements H340, H350, H360 — in the plants that generate atmospheric emissions, as confirmed by the safety data sheets for the chemical products used and by periodic laboratory analyses.

Abatement system and operational monitoring

The containment of emissions at Odolo is ensured by a combination of coalescing filters with borosilicate glass fibre filter elements (abatement of oil mists and aerosols) and dry dust collectors with filter media (dust and graphite). The facilities are sized to ensure substantial safety margins with respect to the authorised limits and are subject to scheduled maintenance, in accordance with the operating procedures of the Integrated Quality, Environment, Health and Safety and Energy Management System (UNI EN ISO 9001 / 14001 / 45001 / 50001). Extraordinary maintenance is entrusted to qualified suppliers and tracked through the company's management software.

Analytical monitoring

Monitoring activities are carried out by external laboratories accredited to ISO/IEC 17025, in accordance with standardised methods and at the frequencies specified by the authorisation documents. **For 2025, all the parameters analysed were found to be well within the applicable regulatory and authorisation limits**.

Annual mass flows by pollutant

To supplement the concentration data, the 2025 annual mass flows of the main pollutants at the Odolo plant were calculated. The potential mass flow represents the maximum quantity that could be emitted by all installations if they operated continuously at the authorised limit concentration; the margin below the limit measures the difference between actual emissions and this theoretical threshold.

Pollutant	Margin below the limit
Total particulate matter	75.4%
Total VOCs (NMVOCs)	41.1%
Class I PAHs	96.0%
Σ metals (Pb+Mn+Cu+Cr+V+Sn)	99.3%
Σ carcinogenic metals (CrVI+Ni+Co+As+Cd)	100.0%

Improvement prospects

The updated Unified Environmental Authorisation (AUA) – Odolo site, formalised in 2025, consolidated an authorisation framework consistent with the current production set-up. Actions launched in 2024–2025 include:

- **progressive electrification of the furnaces at the Odolo plant**, with benefits in terms of both GHG emissions (Scope 1) and local combustion pollutants (NO_x, CO);
- **installation of new extraction and abatement systems** on the forging presses and die sandblasters;
- **dedicated extraction for certain machinery** in the machining department;
- **inclusion of annual mass flow monitoring in the environmental KPIs of the Management System**, to enable multi-year trend analysis from 2025.

Noise

The Group acknowledges that its production activities may impact the surrounding environment, particularly the local community, including through noise emissions. The acoustic impact, encompassing all noise emissions from production processes, must comply with the limits set by the municipal acoustic zoning plan.

Gnutti Cirillo uses acoustic simulation software featuring 3D implementation models, followed by sound level measurements. In September 2025, noise measurements were carried out at Gnutti Cirillo's Odolo plant. The table shows the current noise immission levels at the reference measurement locations, compared with the daytime limits established by the respective noise classification of the area.

	Sound immission level (LA)	Absolute sound immission limit / daytime reference period (TR)	Noise classification	Notes
A	48.0 dB(A)	65 dB(A)	CLASS IV	Within limit
B	61.0 dB(A)	70 dB(A)	CLASS V	Within limit
B1	54.0 dB(A)	65 dB(A)	CLASS IV	Within limit
C	61.5 dB(A)	70 dB(A)	CLASS V	Within limit
D	61.0 dB(A)	70 dB(A)	CLASS V	Within limit
D1	57.5 dB(A)	70 dB(A)	CLASS V	Within limit
AND	64.0 dB(A)	70 dB(A)	CLASS V	Within limit
F	59.5 dB(A)	70 dB(A)	CLASS V	Within limit
G	51.5 dB(A)	70 dB(A)	CLASS V	Within limit
H	52.5 dB(A)	65 dB(A)	CLASS IV	Within limit
I	45.0 dB(A)	65 dB(A)	CLASS IV	Within limit

Water and marine resources

Topic	Sub-topic	SDGs
E3 Water and marine resources	Water consumption Water withdrawals	6 CLEAN WATER AND SANITATION

Material impacts, risks and opportunities associated with water use

ESRS Standard
ESRS 2 SBM – 3, ESRS 2 IRO-1

Impacts	
Water	Negative (direct) impacts arising from the withdrawal and consumption of water resources used in production processes (formation of lubricating/cooling emulsions / washing / cooling systems) and depletion of water resources in areas of water stress.
	Negative (indirect) impacts linked to the use of water in the extraction and production stages of metal raw materials, with potential effects on water quality and availability in the sourcing areas.

Gnutti Group has assessed its impacts, risks and opportunities relating to water, taking into account not only its own operations, but also the activities along the value chain, both upstream and downstream.

The Group's production processes involve the withdrawal of water resources used mainly to feed lubricating-cooling emulsions, to washing semi-finished products and cooling of machinery.

The withdrawal and net consumption of water resources may contribute, in proportion to the volumes used and the geographical location of the production sites, to a reduction in local water availability. The Group has identified an indirect negative impact attributable to the intensive use of freshwater during the mining and initial processing stages of metal raw materials — copper, brass and aluminium — by its upstream suppliers. These stages require large volumes of water for mineral separation, plant cooling and dust control, exerting significant pressure on both the availability and quality of local water resources. It is estimated that at least 16% of metallic mineral extraction sites are located in areas already characterised by high or extremely high levels of water stress.[1]

Policies relating to water and marine resources

ESRS Standard
ESRS E3 E3-1, ESRS 2 MDR-P

The Group's policies for responsible water management are based on an approach focused on the efficient use of the resource and the reduction of environmental impacts associated with production activities.

Through its **Code of Ethics**, Gnutti Group promotes the responsible use of the water resource, requiring the active cooperation of all stakeholders in protecting the environment. The Group promotes employee awareness and training so that responsible conduct is adopted in all activities carried out, including for the **reduction of water consumption**, in compliance with applicable legislation and company procedures.

As part of its **Sustainability Policy**, Gnutti Cirillo sets out guidelines on water consumption, aimed at improving efficiency in the use of water resources in production processes. It establishes rules and actions to promote a responsible approach to water consumption, with the objective of minimising negative impacts on the environment and the community.

[1] WRI – How Critical Minerals Mining Affects Water (2024)

Among the tools adopted, the environmental management system compliant with the ISO 14001 standard, implemented by Gnutti Cirillo, represents an important element, together with the measures added to the Environmental Policy, in ensuring adequate monitoring of environmental performance and improved management of water resources. This management system is subject to annual reviews conducted by independent third-party bodies.

With regard to water discharges, Gnutti Cirillo is required to hold specific environmental authorisations governing water supply and discharge procedures and ensuring full compliance with current legislation.

Actions and resources relating to water and marine resources

ESRS Standard
ESRS E3 E3-2, ESRS 2 MDR-A

Gnutti Group has launched specific initiatives to improve water efficiency, with the aim of optimising consumption and ensuring responsible management of the resource. At Group level, an environmental Risk Assessment is carried out every two years, with the involvement of management.

Water efficiency measures

At the Odolo plant, owned by Gnutti Cirillo, the use of water from the stream for the cooling towers, with its full return to the environment, reflects an approach based on awareness and responsibility. At the Lumezzane plant, measures have been implemented to recover lubricant-coolant emulsions, with the aim of reducing water consumption. In recent years, numerous measures have been implemented to optimise water systems at Gnutti Cirillo's plants: during 2024, a significant measure was carried out at the Lumezzane plant relating to the renewal of internal networks and the decommissioning of a section of the company water supply system affected by leaks. Removing this section helped reduce water consumption and improve overall efficiency in the management of the water resource. Through its Management System, Gnutti Cirillo monitors its water management performance using specific internal KPIs, through monthly monitoring, with the objective of abstracting a maximum of 38,000 m^3 of water.

Optimisation of water consumption

The water drawn from the network for washing machined parts is pre-treated using a dedicated softener. After treatment, the water is then distributed to all the washing machines responsible for washing the parts. At the end of the process, the wastewater from the washing operations is fully recovered and used to prepare new emulsion for use in machining operations.

In the preparation of oily emulsions too, Gnutti Cirillo is committed to using circular models and resource reuse practices. Water is drawn from the mains supply and mixed with oil, using a dedicated mixer, to prepare the emulsion used during machining operations. Demand for water from the mains supply is not continuous, but occurs only when top-ups are required, as all the emulsion used during machining operations is recovered, suitably purified and reused. The oily emulsion and washing water are conveyed to the same recovery plant, which 'regenerates' the emulsion and feeds it back into the circuit. Once it is no longer suitable for the process, it is managed as waste.

Monitoring and control of discharges

Gnutti Cirillo's water discharges are constantly monitored in terms of water consumption, with chemical and physical analyses carried out more frequently than required by regulations.

In particular, at Odolo:

- to the sewer system: domestic-equivalent discharges and first-flush stormwater
- to the surface water body: wastewater from the evaporative towers and second-flush stormwater

At Lumezzane:

- to the sewer system: domestic-equivalent discharges
- to a surface water body: stormwater.

At the Odolo plant, process wastewater is analysed annually and an acute toxicity test is carried out on ***Daphnia magna***. This activity is not necessary at the Lumezzane plant, where there are no industrial discharges, but only discharges comparable to domestic wastewater and stormwater. The proper use and regular maintenance of machinery and equipment constitute an additional safeguard aimed at preventing potential environmental impacts, including those associated with the use of water resources. The Group requires a collaborative and transparent approach towards the authorities responsible for environmental controls.

Reduction in consumption during the product use phase

Tiemme promotes more efficient water management in the home, considering it an essential resource. Even everyday activities, such as showering or washing hands, can help reduce consumption and protect the environment. Companies operating in the plumbing and heating sector are required to develop solutions that help reduce water and energy consumption while ensuring appropriate levels of comfort and quality. In this context, Tiemme has introduced a standard for its mixers, based on the use of a **flow aerator designed to reduce water flow by up to 30%**, through a combination of flow restriction and enrichment. The adoption of technological solutions such as this forms part of an approach focused on developing products that combine efficiency and sustainability, shared across the entire Gnutti Group.

Objectives related to water and marine resources

ESRS Standard
ESRS E3 E3-3, ESRS 2 MDR-T

The Group has defined certain **targets** relating to the **control and reduction of water consumption**, consistent with the initiatives already launched in previous financial years. At the reporting date, Gnutti Group has not set measurable, time-bound and outcome-oriented targets for the material topics identified; however, qualitative targets relating to water have been defined. Quantitative objectives will be defined more specifically as data collection and monitoring systems are progressively developed and the regulatory framework evolves.

Material topics	Objectives	Actions	SDGs	Target
Environmental				
E3 Water and marine resources				
Water	Improving efficiency in the use of water resources	Promote the efficient use of water resources through consumption monitoring and the adoption of measures to improve efficiency and assess risks linked to water stress.	6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution and the release of chemicals, halving the quantity of untreated wastewater and significantly increasing recycling and safe reuse globally.

Water consumption

ESRS Standard
ESRS E3 E3-4, ESRS 2 MDR-M

The Group promotes the responsible use of water resources in its production processes by monitoring the volumes of water withdrawn and adopting solutions designed to improve efficiency. In the absence of a regulatory obligation requiring specific monitoring of water discharges arising from production activities, it is not currently possible to determine precisely net water consumption, understood as the difference between water withdrawn and water discharged into the environment, and, consequently, the related water intensity. The Group undertakes to assess, for future financial years, the strengthening of the necessary data collection and monitoring systems.

For reporting purposes, only water withdrawals, namely the volume of water withdrawn, are therefore reported, as they can be measured on the basis of reliable data, such as meter readings and invoices from water service providers, together with water intensity calculated on the basis of water withdrawals. In the absence of data on discharges, however, it is not possible to reliably estimate the volumes returned to the environment or transferred to third parties.

Water withdrawals

Data on Water withdrawals are reported in cubic metres and refer to the facilities of Gnutti Cirillo, Tiemme, Tiemme Systems, Tiemme Hellas, Valvosanitaria Bugatti, Elettromaule Component and MFT.

At the Group's production sites, water is primarily used for **cooling production equipment**, **preparing oil emulsions** used in the manufacturing process, and **washing certain components**. In particular, at Gnutti Cirillo, at the Lumezzane site, water is used to prepare coolant-lubricant emulsions and to wash components. At the Odolo site, in addition to these uses, water is also used in the cooling systems. The water used in metalworking emulsions and release agents is subsequently recovered and reused in the production process.

For all Group companies, water is supplied via the public water supply network. The Odolo site is an exception, as it also has an abstraction from the Vrenda stream.

In 2025, water withdrawals are in line with previous years, specifically showing a slight increase of 2.7% compared to 2024.

Water withdrawals by source (m^3)	2025	2024
Surface water	27,033	23,963
Third-party water resources / public water supply systems	17,647	19,563
Total	**44,680**	**43,526**

Water intensity

The Group's water intensity index is presented below, defined as the ratio between total water withdrawals and net revenue. In 2025, the water intensity index is **0.16**, slightly higher than in 2024.

Water intensity index	Unit	2025	2024
Intensity index	(m^3/€1,000)	0.16	0.15

Water risk and water stress

The tables show the share of water withdrawals from areas at water risk and areas with water stress. The **Aqueduct Water Risk Atlas of the World Resources Institute** was used to assess these areas. An area is considered to be at water risk when it is located within a river basin where various physical aspects relating to water resources result in one or more water bodies being in poor condition, characterised by deterioration, creating critical issues in terms of water availability, quality and quantity. The reported data show that 92.4% of the Group's water withdrawals originate from areas of medium-high water risk.

Water withdrawals and water risk (m³)	2025	2024
Of which in low water-risk areas	2,521	2,911
Of which in medium-low water-risk areas	88	-
Of which in medium-high water-risk areas	41,289	40,577
Of which in high water-risk areas	782	38
Of which in extremely high water-risk areas	-	-
Total water withdrawals	**44,680**	**43,526**

Water withdrawals and water stress (m3)	2025	2024
Of which in low water stress areas	2,521	2,911
Of which in medium-low water stress areas	88	-
Of which in medium-high water stress areas	-	-
Of which in high water stress areas	41,836	40,577
Of which in extremely high water stress areas	235	38
Total water withdrawals	**44,680**	**43,526**

Water stress refers to the capacity or inability to meet the demand for water, both human and from ecosystems as a whole. Water stress may relate to the availability, quality or accessibility of water. The Lumezzane, Odolo, Castegnato, Bucharest and Athens units are located in areas characterised by High or Extremely High water stress, according to the **Aqueduct Water Risk Atlas of the World Resources Institute**. In detail:

Area	Water stress
Lumezzane	High
Odolo	High
Castegnato	High
Bucharest	High
Athens	Extremely high
Montecchio Maggiore	Medium-low
Michigan	Low

94.2% (42,071 m³) of the Group's total water withdrawals occur in areas of high or extremely high water stress.

Biodiversity and ecosystems

Topic	Sub-topic	SDGs
E4 - Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	15 LIFE ON LAND

Material impacts, risks and opportunities relating to biodiversity and ecosystems

ESRS Standard
ESRS 2 SBM - 3, ESRS 2 IRO-1

Impacts	
Impacts on the extent and condition of ecosystems	Negative (indirect) impacts associated with the extraction of metallic raw materials, involving land conversion and land use in the areas of origin. These transformations may affect the extent and condition of local ecosystems, resulting in the depletion of natural resources, habitat alteration, land use and pressure on local ecosystems in areas where extraction and primary processing take place.

Risks/Opportunities	
Impacts on the extent and condition of ecosystems	Regulatory, operational and market risks associated with evolving environmental and biodiversity protection regulations applicable to extractive activities and natural resource management along the supply chain (e.g. mining restrictions, traceability and responsible sourcing requirements), with potential impacts on raw material availability, business continuity, production processes and operating costs.

Gnutti Group has assessed its impacts, risks and opportunities relating to biodiversity, taking into account not only its own operations, but also the activities along the value chain, both upstream and downstream. Upstream extractive activities associated with the production of non-ferrous metals involve changes in land use and land conversion in the areas where raw materials originate, resulting from the development of open-pit mines, excavation areas, support infrastructure, processing plants and mining residue storage sites[1]. Such activities may affect the extent and condition of local ecosystems, causing habitat alteration and fragmentation, land take and pressure on ecosystems in the areas affected by mining and metallurgical activities[2].

The Group has identified a risk associated with the evolution of the legislative and regulatory framework applicable to extractive activities and the management of natural resources along the supply chain for key raw materials. The introduction of restrictions on mining activities, traceability obligations and responsible sourcing requirements could affect the availability of raw materials, the continuity of the supply chain and the Group's operating and procurement costs.

Policies related to biodiversity and ecosystems

ESRS Standard
ESRS 2 SBM - 3, ESRS 2 IRO-1

Gnutti Cirillo's **sustainability objectives** recognise the strategic importance of biodiversity as a key factor for environmental sustainability, industrial resilience, and long-term value creation. Biodiversity is not solely an ecological matter but has direct impacts on economic and social stability. The concept of natural capital—which includes living organisms, air, soil, water, and genetic resources—is fundamental to ensuring the continuity of ecosystem services on which all economic activities depend, either directly or indirectly.

[1] TNFD – Additional Sector Guidance Metals and Mining (2024)
[2] OECD – Handbook on Environmental Due Diligence in Mineral Supply Chains (2023)

These services include water regulation, pollination, soil fertility, climate stabilisation, and protection against extreme events. Manufacturing sectors such as that of Gnutti Group can also benefit from healthy and resilient ecosystems. For this reason, Gnutti Cirillo considers the adoption of sustainability-oriented practices to be an important lever for creating shared value along the value chain.

Actions and resources relating to biodiversity and ecosystems

ESRS Standard
ESRS E4 E4-3, ESRS 2 MDR-A

Biodiversity currently represents an evolving area in corporate sustainability management. Gnutti Cirillo has chosen to undertake a progressive and realistic path on this matter, aiming to gradually establish a vision and an approach consistent with its industrial identity, the environmental context, and the regulatory framework. At this stage, Gnutti Cirillo is committed to deepening its understanding of interactions with local ecosystems and aims to protect the plant species near its sites, as a step towards a more conscious and strategic management of its natural capital. The progressive integration of biodiversity into decision-making processes and environmental management systems is envisaged, along with the development of policies dedicated to territorial protection.

Gnutti Cirillo also considers mapping and monitoring the relationships between production activities and natural capital along the value chain to be relevant, as well as engaging in dialogue with scientific bodies, local stakeholders, and public authorities to promote good practices and voluntary measures. It will evaluate the possibility of accessing public support instruments, such as Rural Development Programmes (RDP) and Payments for Ecosystem Services (PES), where applicable. In this context, Gnutti Cirillo has already undertaken actions consistent with the objectives of the Natura 2000 Network. Starting in 2004, the remediation of the area was initiated, in coordination with the competent authorities, in the area near its facilities, including the securing of the so-called 'bordering escarpment'. The area subject to environmental characterisation is particularly significant due to its location adjacent to the site and close to the Vrenda stream, a watercourse historically linked to local industrial development and currently undergoing care and maintenance by the company.

The 'Pine Grove'

Near Gnutti Cirillo's Odolo plant, there is a company-owned green area known internally as 'la pineta' (the pine grove). It is a wooded area with potential for environmental and landscape enhancement. The area was planted in the 1990s, also with the direct contribution of the steelworks employees, during a period when solutions were sought to ensure employment continuity.

Objectives related to biodiversity and ecosystems

ESRS Standard
ESRS E4 E4-4, ESRS 2 MDR-T

The Group has defined a number of **objectives** related to the protection and enhancement of biodiversity and ecosystems, consistent with the initiatives already launched in previous financial years. At the reporting date, Gnutti Group has not yet set measurable, time-bound and outcome-oriented targets for the material topics identified; however, qualitative targets have been defined. Quantitative objectives will be defined more specifically as data collection and monitoring systems are progressively developed and the regulatory framework evolves.

Material topics	Objectives	Actions	SDGs	Target
Environmental				
E4 Biodiversity and ecosystems				
Impacts on the extent and condition of ecosystems	Protection and promotion of biodiversity	Invest in local and community projects and initiatives, including through sponsorships and local partnerships.		**15.5** Adopt urgent measures to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, prevent the extinction of threatened species.

Impact metrics related to changes in biodiversity and ecosystems

ESRS Standard
ESRS E4 E4-5, ESRS 2 MDR-M

Sites and facilities within protected areas

Gnutti Group's production facilities **are neither located within nor in the immediate vicinity of areas classified as sensitive from a biodiversity perspective**; therefore, no significant impacts attributable to the activities carried out at these sites have been identified. The mapping and georeferencing analyses were carried out using the IBAT (Integrated Biodiversity Assessment Tool). The assessments conducted did not identify any company sites located within or in the immediate vicinity of areas classified as sensitive under Directive 92/43/EEC (the 'Habitats Directive') and Directive 2009/147/EC (the 'Birds Directive'), such as Sites of Community Importance (SCIs), Special Areas of Conservation (SACs) and Special Protection Areas (SPAs), or protected parks and nature reserves, nor any equivalent protected areas in the non-EU countries in which the Group operates.

Gnutti Cirillo operates within the Alpine biogeographical region of Lombardy, an area recognised as a priority under the Natura 2000 Network and regional environmental planning. The guidelines of the Lombardy Priority Action Framework (PAF) 2021–2027 promote the ecological enhancement of areas beyond the official boundaries of protected sites, with a focus on ecological connectivity, pollution prevention, and landscape restoration.

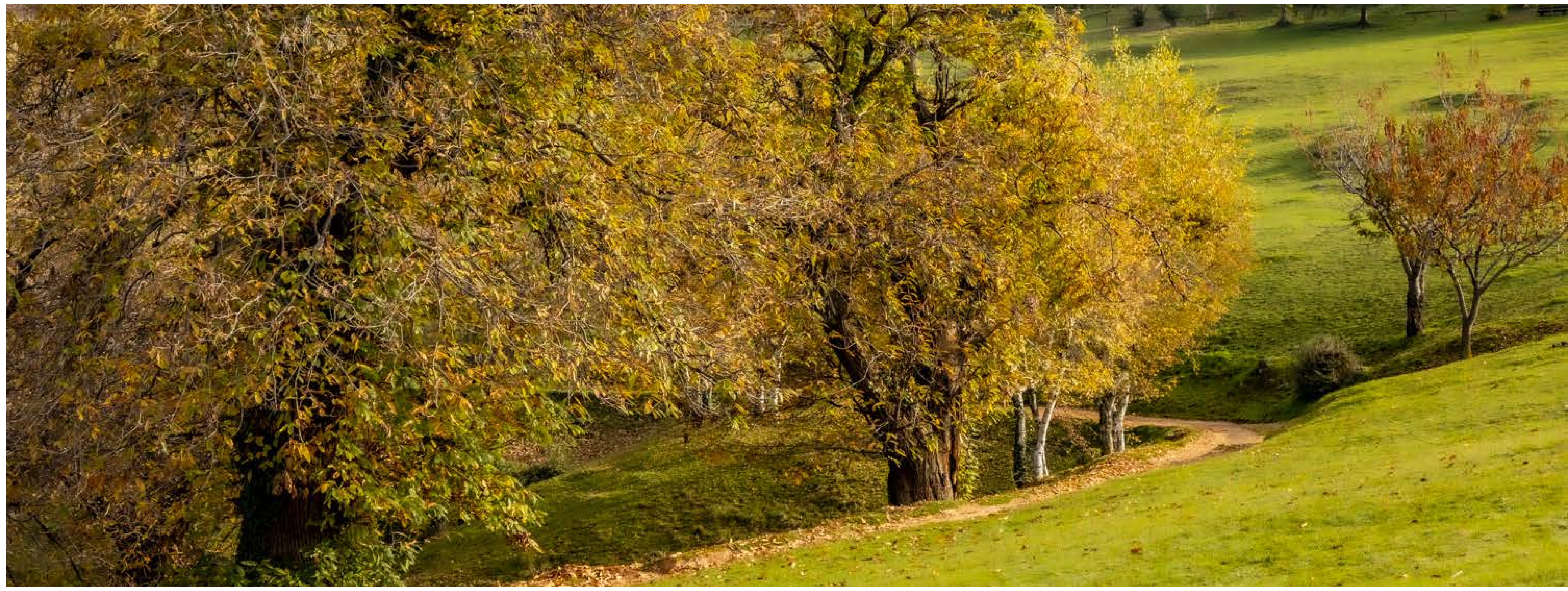
In Lumezzane, the territory is covered by a Municipal Ecological Network Plan, which identifies areas of high natural value, ecological corridors, and buffer zones. According to the municipal Territorial Government Plan, the forest landscape hosts formations of downy oak, chestnut, beech, maple, alpine spruce, and mountain pine, with associated fauna including squirrels, roe deer, birds of prey, various birds, and amphibians.

The Faidana stream, which flows near the plant, represents an additional water resource to be preserved, in a context already characterised by the presence of natural habitats and municipal ecological networks.

A woodland in Lumezzane (BS)

The property located in the Municipality of Lumezzane extends over a total area of 32,120 m^2, excluding the footprint of the building, and includes a significant portion designated as woodland. In terms of size and continuity, this area constitutes a significant feature within the local area, contributing substantially to the presence of unsealed natural surfaces, soil protection and the maintenance of environmental balance.

In the coming years, the Company intends to embark on a process to study and enhance this area.



Resource use and circular economy

Topic	Sub-topic	SDGs
E5 Resource use and circular economy	Resource inflows, including resource use Resource outflows associated with products and services Waste	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material impacts, risks and opportunities related to resource use and the circular economy

ESRS Standard
ESRS 2 SBM – 3, ESRS 2 IRO-1

Impacts	
Resource inflows, including resource use	Negative impacts related to the use of raw materials in production processes and packaging materials.
Resource outflows associated with products and services	Positive impact linked to the durability and recyclability of products placed on the market and their relevant packaging. The long useful life of the products and the reduction in packaging materials limit the need for replacement and the use of new raw materials, while the recycling potential of the products and packaging enables materials to be recovered at the end of their useful life and reintroduced into recycling streams.
Waste	Negative impacts: management of waste generated during processing and distribution (packaging).

Risks/Opportunities	
Resource inflows, including resource use	**Risks** Operational risk related to fluctuations in raw material purchase prices; the associated transport costs from third-party suppliers are affected by raw material availability and the resulting price fluctuations. Operational and market risks related to potential disruptions in raw material inflows, which could affect the availability of recycled raw materials.
	Opportunities Strategic and operational opportunity linked to resource inflows through the recovery and recycling of metal scrap and process waste, enabling the Group to increase the availability of recycled feedstock, with benefits in terms of continuity of supply and reduced purchasing costs.

Gnutti Group has assessed its impacts, risks and opportunities relating to resource use and the circular economy, taking into account not only its own operations, but also the activities along the value chain, both upstream and downstream. In terms of impacts, the Group identified negative impacts associated with the use of raw materials in production processes and packaging materials (resource inflows), as well as negative impacts connected with waste management during the processing and distribution stages.

These are offset by a positive impact linked to the durability and recyclability of the products placed on the market: the long useful life of the products and the reduction in packaging materials limit the need for the use of new raw materials, while the recycling potential of the products and packaging enables materials to be recovered at the end of their useful life and reintroduced into recycling streams.

With regard to risks, the Group identified operational risks linked to fluctuations in raw material prices and the associated transport costs from third-party suppliers, as well as operational and market risks related to potential disruptions in raw material supplies, which could affect the availability of recycled raw materials. In terms of opportunities, the Group has identified a strategic and operational opportunity related to the recovery and recycling of metal scrap and process waste, which would enable the Group to increase the availability of recycled feedstock, with benefits in terms of continuity of supply and reduced purchasing costs.

Policies relating to resource use and the circular economy

ESRS Standard
ESRS E5 E5-1, ESRS 2 MDR-P

Gnutti Group recognises environmental protection as a core value and is committed to minimising the environmental impact of its activities. The Group Companies take these aspects into account in their organisational and management decisions, promoting the responsible use of resources and directing their activities towards resource saving and optimisation, in line with the principles set out in their respective Quality Policies.

In its **Code of Ethics**, Gnutti Group promotes the efficient use of natural resources, including through recycling and proper waste management. The **Corporate ESG Policy** 'Quality, health and safety, environment and energy' also formalises Gnutti Cirillo's commitment by promoting an approach aimed at encouraging circular economy models and reducing waste.

Among the core principles of the **Quality Policies** adopted by the Group companies – Gnutti Cirillo, Tiemme, Valvosanitaria Bugatti and Elettromaule Component – is the commitment to integrating awareness of environmental protection and sustainability into overall corporate strategies and day-to-day operations.

Gnutti Cirillo has adopted an **Environmental Management System** compliant with the **UNI EN ISO 14001:2015** standard, confirming its commitment to controlling and improving its environmental performance. This approach translates into practices aimed at **reducing consumption**, **reusing materials** and **recovering waste**, with the aim of optimising the use of resources and promoting production models shaped by the principles of the circular economy.

Actions and resources related to the use of resources and the circular economy

ESRS Standard
ESRS E5 E5-2, ESRS 2 MDR-A

The Group has initiated a progressive transition towards a circular economy model, focusing on the use of renewable raw materials where possible, and the reuse of waste generated throughout the entire production and distribution cycle. The use of renewable raw materials mainly concerns packaging, while brass processing generates recyclable waste. Gnutti Group recognises the importance and potential of adopting a resource procurement approach that reduces environmental impact on the ecosystem.

Use of recycled brass and management of raw materials

Gnutti Group places a central role on the use of recycled brass in its production processes, recognising it as a strategic lever for reducing environmental impact and developing a circular economy model. Brass is, in fact, a highly recyclable material that can be reintroduced into production cycles without compromising its technical performance, making it possible to limit the use of virgin raw materials and reduce emissions along the value chain.

The Company pays particular attention to the quality and origin of incoming raw materials, favouring procurement from qualified and traceable supply chains. Analysis and engagement activities with partners have highlighted the importance of strengthening the selection of incoming rods – the main product used in the production process – through targeted checks with suppliers.

In this context, **Gnutti Group maintains an ongoing dialogue with drawing mills and its strategic suppliers, promoting high quality standards and increasing transparency throughout the supply chain**. This commitment is also reflected in the request for and preparation of specific declarations relating to recycled material content and product compliance, with the aim of ensuring data reliability and supporting environmental reporting requirements, including Carbon Footprint and EPD analyses.

The main elements of this strategy concern:

- Increasing the use of secondary raw materials
- Improving the traceability and quality of incoming resources
- Engaging the supply chain to ensure circularity and transparency criteria
- The availability of verifiable data on recycled content to support the required disclosures

Production scrap recovery

Gnutti Cirillo's production process is primarily circular: the company purchases brass bars or non-ferrous material from scrap or recycled sources, processes them, and returns the resulting production scrap to the wire-drawing mills for remelting and reintroduction into the production cycle, thereby reducing the consumption of virgin raw materials and preventing waste from being dispersed into the environment.

The Company recovers value from production scrap by sending it to specialised drawing mills, where the metal material is remelted and transformed into new raw material. This makes it possible to reduce the consumption of virgin resources, limit waste generation and decrease the overall environmental impact associated with the procurement of metal alloys.

Packaging reduction

In line with the principles of the circular economy, Gnutti Group's commitment to optimising packaging is reflected in the implementation of practical measures aimed at **reducing the use of materials** and improving logistics efficiency. In this area, the Group companies have taken various actions.

In particular, Tiemme has optimised the number of pages in instruction sheets and, where possible, eliminated them and replaced them with a QR code applied to the label. Provision was then made for the material identification logo to be applied to the packaging. In addition, the Company has optimised the size of the boxes in order to avoid empty space and improve container loading, as well as the size and number of tube coils on the various pallets. Finally, the cardboard box used to package the tube produced by Tiemme has been eliminated.

Also with regard to packaging, Gnutti Cirillo has initiated dialogue with suppliers to identify solutions based on reusable packaging, as well as to optimise and reduce the packaging used to ship products. In recent years, the company conducted an analysis of the resources used in its activities, aiming to identify areas for potential improvement.

These measures form part of the process of progressively optimising the use of resources and materials employed in packaging.

Operational Waste Management Procedure

Gnutti Cirillo has implemented an Operational Waste Management Procedure to ensure the proper handling of waste within production departments and external areas.

Operational Waste Management Procedure	
1	Identification of the waste generated, the associated EWC code [European Waste Catalogue code], and the relevant operational management procedures.
2	identification of temporary waste storage areas and departmental substations.
3	Provision, for each department, of a binder containing: list of departmental waste; identification sheets of waste produced; warning labels for hazardous waste (where required).
4	Identification of all containers used for the collection of waste produced using the identification cards available and affixing the necessary labels;
5	Definition of rules for waste handling by employees: obligation to use the prescribed PPE; prohibition of illegal waste dumping; prohibition of mixing different types of waste; prohibition of storing liquid waste in areas not equipped with containment basins;
6	Periodic collection of waste from department substations and placement within the temporary storage area.
7	Checking the amount of waste in the temporary storage area to ensure that it does not exceed the maximum values defined in the waste list.
8	Periodic inspections to verify the correct storage of waste both in temporary storage areas and in department substations
9	Upon reaching the specified quantities, request for collection of waste by authorised suppliers.
10	Periodic analysis of waste produced, conducted by qualified laboratories.
11	Management of the waste produced not previously classified.

The Group has developed a focus on waste generated along the following lines:

- planning and prevention / ex-ante assessment of recycling, reuse or rental options when selecting certain products and services;
- digitalisation / use of specific software
- training and monitoring / providing training to numerous people, including in the departments, with immediate monitoring;
- cleaning and information / providing correct instructions and ensuring proper cleaning.

The list of waste is continuously monitored, including its hazardous properties and any ADR classification. The specific characteristics have also been entered into software used to compile the digital registers for waste loading and unloading.

To ensure compliance with applicable waste regulations, the Company has introduced several dedicated procedures and trained personnel on proper handling methods. Regarding the control of supplier authorisations (transporters, recovery operators, and disposers), Gnutti Cirillo uses specific software to verify the validity of authorisations and checks the licence plates of the vehicles collecting the waste.

In 2025, given the growing relevance of ADR (European Agreement concerning the International Carriage of Dangerous Goods by Road) regulations with regard to lead-containing mixtures — and the resulting possibility of classifying metal chips as ADR-regulated material — Gnutti Cirillo, Tiemme and Valvosanitaria Bugatti decided to appoint an in-house ADR advisor.

The ADR advisor also prepared the annual report and provided training to all operators involved in the management of ADR matters. The company is authorised as an intermediary by the Environmental Managers Register (registration MI55510). Periodically, the technical manager conducts documentary audits.

Recovery of emulsions

Among its circular economy initiatives, Gnutti Cirillo employs, in its production process, a circular system for managing the emulsion used in machining operations, aiming to reduce waste and optimise resource consumption. The cycle is structured as follows:

Preparation of the new emulsion:
The lubricating coolant emulsion is created by mixing mains water and oil in suitable proportions.
1

Use in the production cycle:
The new emulsion is used in the production cycle for machining operations, where it serves cooling and lubrication functions.
2

Collection of used emulsion:
once used, the emulsion is collected as spent emulsion, which contains oily residues and impurities.
3

Osmosis treatment:
the spent emulsion is regenerated through an osmosis process and reintroduced into the system, a method that separates the used oil from the emulsion.
4

Recovery and reuse:
the used oil is collected in dedicated 200-litre drums for proper disposal or recovery in accordance with regulations. The recovered emulsion, stripped of excess oil, is reintegrated into the production cycle as new emulsion, thereby reducing the demand for new emulsion.
5

This process makes it possible to reduce oily waste, optimise the use of raw materials, and limit environmental impact, in line with the circular economy and industrial sustainability goals.

Objectives related to resource use and circular economy

ESRS Standard
ESRS E5 E5-3, ESRS 2 MDR-T

The Group has identified **targets relating to resource use and the circular economy**, although specific quantitative targets have not yet been defined. With reference to the targets defined in relation to waste, it should be noted that, at present, no specific alignment of these targets with the individual levels of the waste hierarchy has been identified. It should also be noted that the targets presented are to be understood as voluntary, as they have been defined by the Company as part of its improvement initiatives.

Material topics	Objectives	Actions	SDGs	Target
Environmental				
E5 Resource use and circular economy				
Resource inflows, including the use of resources Resource outflows associated with products and services	Reducing the environmental impact of processes and promoting the circular economy	Strengthen the circular economy model by enhancing the value of recycled materials, reducing the waste generation and adopting solutions aimed at reuse and the optimisation of resources and packaging.		**12.2** Achieve sustainable management and efficient use of natural resources.

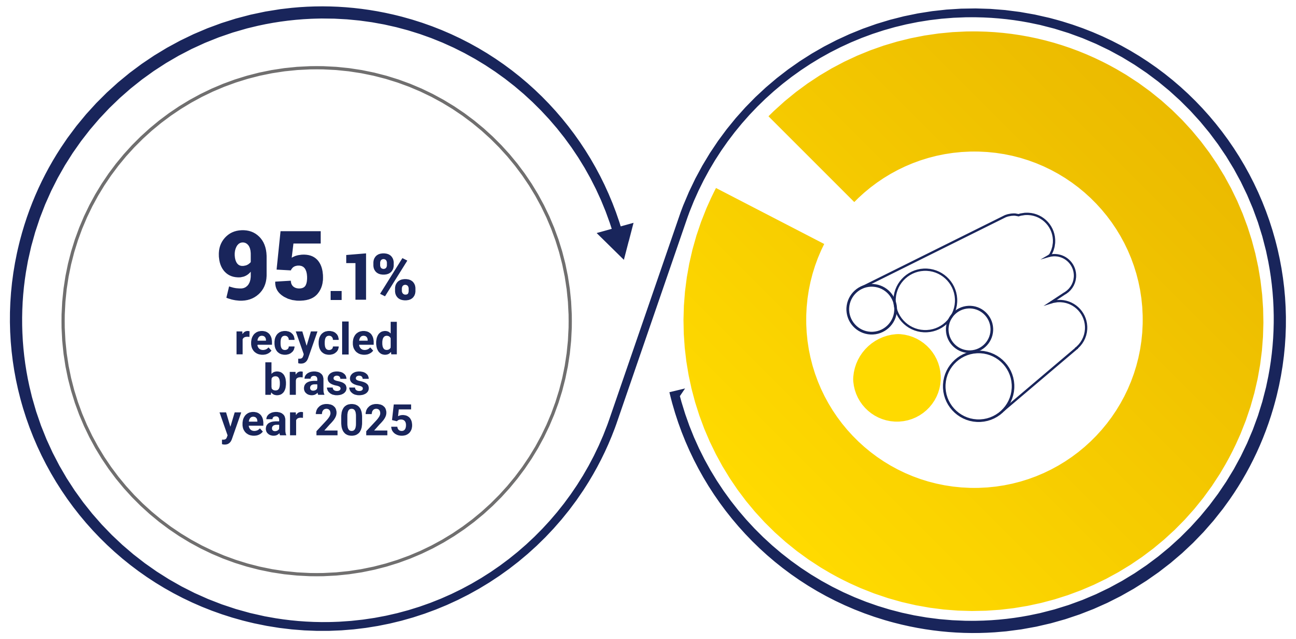
Incoming resource flows

ESRS Standard
ESRS E5 E5-4, ESRS 2 MDR-M

The main raw materials used by the Group are **brass**, **copper** and **aluminium** bars. These materials are sourced through three different methods: by direct purchase, intermediated purchase from scrap processing, or under a tolling agreement. These materials represent the main production input in the Group's processing cycle and are sourced through various methods.

In order to monitor and reduce the environmental impact associated with the procurement of raw materials, the Group monitors the share of brass originating from recycled material used in its production processes. **The use of recycled raw materials is an important element of sustainability and resource efficiency strategies**, contributing to reducing the consumption of virgin raw materials and the environmental impacts associated with their extraction and processing. In 2025, the percentage of brass from recycled material used by Gnutti Cirillo is 95.1%.

Recycled brass (%)	2025	2024
Recycled brass	95.1%	94.9%



Objectives achieved – Gnutti Cirillo (Gnutti Group)

Outgoing resource flows

ESRS Standard
ESRS E5 E5-5, ESRS 2 MDR-M

Waste management, collection and treatment are a material topic for Gnutti Group, which works to improve its processes with the aim of reducing the quantities generated, enhancing collection and increasing recovery and recycling.

The Group's supply chain mainly consists of drawing mills; consequently, the impacts associated with waste generation along the value chain also largely concern metal scrap, particularly copper, bronze and brass, as well as packaging materials. Downstream, most waste is instead associated with packaging and the end-of-life of finished products at the end-users' premises.

Waste generated

All waste generated by the production cycle is managed and reported in compliance with applicable regulations and, where possible, sent to recycling. In 2025, the Group generated **12,528 t** of waste. Of this, **95.1%** consists of **non-hazardous waste**, mainly attributable to cutting, forging and machining processes for the production of OEM (Original Equipment Manufacturer) products. **Hazardous waste**, on the other hand, accounts for **4.9%** of the total and derives mainly from washing operations.

Compared with 2024, waste generated in 2025 decreased by 12.2%. Gnutti Cirillo and Tiemme reduced total waste generation in 2025 due to a decrease in the quantities of material processed, as evidenced by the 22.5% reduction in waste generation from filings and swarf compared with the previous year. In 2025, the share of waste sent for recovery reached 99.9%, compared with 99.4% in the previous year. The increase was mainly due to aqueous liquid waste containing hazardous substances, which in 2025 was sent for recovery, thanks to improved waste management. The Group does not generate radioactive waste in the course of its activities.

The data relating to the total waste generated by the Group, expressed in tonnes and broken down by category and final destination, are shown below:

Waste by category (t)	2025			2024		
	Recovery	Disposal	Total	Recovery	Disposal	Total
Oils for hydraulic circuits, engines, gears and lubrication	92	3	**95**	101	2	**103**
Packaging containing residues of hazardous substances	3	-	**3**	8	-	**8**
Aqueous liquid waste and emulsions	511	-	**511**	578	82	**660**
Other hazardous waste[1]	2	3	**5**	48	6	**54**
Total hazardous waste	**608**	**6**	**614**	**735**	**90**	**825**
Filings and shavings of non-ferrous materials or unspecified	8,345	-	**8,345**	10,764	**-**	**10,764**
Copper, bronze, brass	3,283	-	**3,283**	3,162	**-**	**3,162**
Aluminium, iron and steel	84	-	**84**	80	**-**	**80**
Paper and cardboard packaging and wooden packaging	94	-	**94**	108	**-**	**108**
Plastic packaging and mixed-material packaging	95	-	**95**	129	**-**	**129**
Other non-hazardous waste[2]	12	1	**13**	13	**-**	**13**
Total non-hazardous waste	11,912	**1**	**11,913**	14,256	**-**	**14,256**
Total waste	**12,521**	**7**	**12,528**	**14,992**	**90**	**15,081**
Percentage of waste sent for recovery	**99.9%**			**99.4%**		

As at the date of preparation of this Report, it has not been possible to accurately reconstruct the recovery or disposal routes for the waste generated. The Group therefore undertakes to strengthen the data collection process, in order to improve the level of detail and reliability of future reporting.

[1] The category 'Other hazardous waste' includes: residues of blasting material containing hazardous substances, absorbents, filter materials, rags, spent activated carbon, out-of-service equipment containing hazardous components and other insulating materials containing or consisting of hazardous substances.
[2] The category 'Other non-hazardous waste' includes: components removed from end-of-life equipment, cables, out-of-service equipment, tiles and ceramics, mixed construction and demolition waste, saturated or spent ion-exchange resins, fluorescent tubes, waste containing mercury, graphite lubricating oil.

03 Social Disclosures

Own Workforce

Workers in the value chain

Consumers and end-users

Own Workforce

Topic	Sub-topic	Sub-sub-topic	SDGs
S1 Own workforce	Working conditions	Secure employment Freedom of association, the existence of works councils, and workers' information, consultation and participation rights Collective bargaining, including the percentage of workers covered by collective labour agreements	4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities
	Health and safety		
	Equal treatment and opportunity for all	Gender equality and equal pay for work of equal value Training and skills development Diversity	

Material impacts, risks and opportunities related to the own workforce

ESRS Standard
ESRS 2 SBM-3

Impacts	
Working conditions	Positive impact: creation of a working environment that offers stable employment, adequate wages and respect for rights, such as social dialogue and collective bargaining, with a focus on work-life balance and dialogue with internal representatives.
Health and safety	Negative impacts: the possibility of injuries or other incidents occurring in the workplace.
Equal treatment and opportunity for all	Positive impacts on people's well-being arising from a working environment that ensures respect for workers and equal opportunities, the absence of discrimination and continuous training.

Risks/Opportunities	
Health and safety	Risks Regulatory / legal and reputational risks arising from the failure to adopt effective prevention and monitoring measures, increasing the likelihood of injuries, occupational diseases and work-related stress, compromising productivity and business continuity and giving rise to possible litigation.

Gnutti Group has identified actual and potential positive and negative impacts, as well as possible risks and opportunities connected with its own workforce, including all workers, both employees and non-employees.

The impacts identified arise from the Group's activities and are managed through policies and practices aimed at ensuring adequate working conditions, safety and equal opportunities. These impacts do not require changes to the strategy or business model.

With regard to positive impacts, the Group promotes a safe, inclusive working environment that respects rights, offering stable working conditions and ensuring adequate wages, social dialogue and collective bargaining. The Group supports skills development through training activities and professional development pathways, promoting equal opportunities, inclusion and valuing diversity.

No significant systemic or widespread negative impacts were identified, nor any associated with individual incidents. The only negative impact identified concerns the possibility of injuries occurring in connection with the performance of work activities. The Group oversees this risk by monitoring events and adopting prevention and management measures.

The main risk relating to the workforce concerns the legal and reputational aspects associated with the management of occupational health and safety, particularly in manufacturing activities and the use of machinery. Inadequate measures to protect employees could cause injuries, disputes and sanctions, with consequent adverse effects on the Group's reputation, as well as possible repercussions for productivity and operational continuity.

With regard to its own workforce, Gnutti Group has no operations exposed to risks of forced labour, compulsory labour or child labour, and working conditions are regulated by applicable local legislation. No specific geographical areas or operations at significant risk have been identified. The analysis does not reveal any significant differences in exposure to risks among groups of workers with specific characteristics, nor in relation to particular contexts or activities.

Policies related to own workforce

ESRS Standard
ESRS S1 S1-1, ESRS 2 MDR-P

In line with its corporate values and commitment to ensuring fair, safe working conditions that respect people's dignity, Gnutti Group has defined a set of policies, principles and governance tools that govern the management of its own workforce. These policies are designed to promote respect for human rights and fundamental rights at work, workers' health and safety, equal opportunities, skills development and non-discrimination.

Group Code of Ethics and Human Rights Policy

The **Group Code of Ethics** defines the values and rules of conduct that guide the management of employment relationships within the Group. The Code is inspired by international reference documents such as the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. It is published both on the Companies' websites and on the platforms available to employees.

Through its **Human Rights Policy**, the Group is committed to respecting and promoting universally recognised human rights, ensuring equal opportunities, inclusion and valuing diversity, as well as eliminating all forms of discrimination.

Legality and fairness in employment relations

The Group operates in full compliance with applicable legislation and the applicable National Collective Labour Agreements. All forms of irregular or forced labour, or work carried out in exploitative conditions, are rejected. The Group does not establish or continue relationships with parties that fail to demonstrate compliance with labour legislation.

Protection of human rights and non-discrimination

The Code of Ethics promotes a working environment based on respect for human and fundamental rights, ensuring fair and equal treatment for all personnel, regardless of gender, age, nationality, religion or ethnicity. The protection of privacy is ensured and conduct that harms personal dignity, including verbally, is prohibited. Internal relations must be founded on trust and mutual respect.

Equal opportunities and empowering people

The Group promotes equal opportunities and inclusive working environments, fostering the professional and personal growth of employees. As part of human resources development, conditions are created to enable abilities, skills and knowledge to expand over time, contributing to the achievement of corporate objectives. A policy aimed at recognising merit is pursued, in accordance with fairness and equal opportunities, ensuring fair and dignified remuneration and career development pathways.

Freedom of association

The Group maintains honest, transparent and constructive dialogue with trade union representatives and social partners, recognising engagement as a tool for corporate growth and cohesion.

HEALTH AND SAFETY AT WORK

The Group is committed to ensuring safe and healthy working environments, promoting a corporate culture focused on risk prevention and the protection of workers' physical and psychological health.

In line with the principles of responsibility and protection of people set out in the Group's Code of Ethics, Gnutti Cirillo has adopted an **Occupational Health and Safety Management System compliant with ISO 45001:2018,** as well as specific Occupational Health and Safety Policies. The ISO 45001:2018 standard defines the requirements for managing workers' health and safety, promoting healthy and safe working environments through the identification, assessment and mitigation of risks that may compromise people's physical integrity or well-being.

This system supports the achievement of the Policy's objectives through:

- eliminating, where possible, or minimising workplace hazards;
- adopting preventive measures and continuously monitoring safety conditions;
- analysing workplace injuries and occupational diseases;
- periodically reviewing the effectiveness of the measures adopted.

These principles are promoted across the entire value chain: suppliers, partners and collaborators are required to comply with the standards defined by the Policy, while the Group actively works with its stakeholders to prevent any possible breach.

Company regulations and rules of conduct

To reinforce this commitment, the Group defines its relationship with employees through **company policies** founded on respect, trust, and the recognition of skills. Each Group company adopts specific **Company Regulations** and codes of conduct designed to govern work organisation and ensure a professional environment that is orderly, transparent and respectful of shared rules.

These Regulations set out provisions on working hours, breaks, the use of company tools and access systems (badges), as well as principles of conduct with which all personnel are required to comply in carrying out their activities. Internal rules provide a shared point of reference for ensuring integrity, responsibility and operational consistency, in compliance with applicable legislation and the Group's values.

Processes and channels for engaging with own workforce and workers' representatives that enable its own workforce to raise concerns

ESRS Standard
ESRS S1 S1-2, ESRS S1 S1-3

Gnutti Group recognises the importance of actively involving its own workforce as an essential element for responsible growth and the continuous improvement of business performance. Through mechanisms for dialogue, listening and participation, the Group promotes a constructive relationship with its employees and collaborators, fostering a sense of belonging, motivation and the sharing of common objectives.

In 2025, Gnutti Cirillo S.p.A. administered an **ESG Questionnaire to its employees** with the aim of assessing the level of awareness and engagement with the main ESG and organisational topics. The results highlighted a significant focus on sustainability and governance issues, such as privacy and cybersecurity, occupational health and safety, environmental protection, waste management, climate change, legality and ethics, innovation, digitalisation and inclusion, which are perceived as strategic levers for future development. With regard to the workplace climate, the overall assessments are positive in terms of motivation, respect and satisfaction with initiatives dedicated to health and well-being, internal communication and the active involvement of employees in proposing ideas and innovations.

As part of the processes aimed at promoting an ethical and transparent working environment, some Group companies (Gnutti Cirillo, Tiemme and Valvosanitaria Bugatti), in compliance with Legislative Decree 10 March 2023, no. 24, have adopted a **Whistleblowing system** for managing reports of alleged breaches. The system provides dedicated, secure and confidential channels through which shareholders, directors, employees, collaborators, consultants, as well as candidates undergoing selection or persons whose relationship has ended, may submit reports in accordance with the procedures set out in the company procedure. The tool guarantees the confidentiality of the identity of the whistleblower and of the persons involved, as well as the protection provided for by current legislation, helping to strengthen the culture of integrity and responsibility throughout the organisation.

Actions and resources related to own workforce

ESRS Standard
ESRS S1 S1-4, ESRS 2 MDR-A

Gnutti Group strongly believes that human resources are an indispensable and fundamental asset: people's experience and skills are distinctive elements and make a decisive contribution to building a competitive advantage, even more so in the international context in which the company operates.

The Company stands out for its strong commitment to social responsibility, placing its employees at the centre, recognising the value of their skills, and promoting their development through training and growth opportunities.

Employee welfare

To preserve and promote the well-being of its people, Gnutti Cirillo S.p.A. has implemented targeted initiatives to reconcile the needs of everyday life with work commitments. This includes consideration of the family sphere, the promotion of health in the workplace, prevention through the scheduling of health screenings, and the organisation of leisure activities, as well as initiatives of an artistic and cultural nature. All initiatives and campaigns are documented in specific internal records, which are periodically shared via corporate communication channels. Gnutti Cirillo conducts annual surveys on work-related stress, in compliance with current legislation, to monitor organisational well-being and implement any necessary preventive or corrective measures.

The employee well-being initiatives launched or continued in 2025 are:

- use of employee welfare benefits with the new TUNDR card active from 2025;
- pathway for WHP certification (healthy workplaces) from ATS (Health Protection Agency);
- ISO 45001 occupational health and safety certification project (obtained in December 2025);
- cultural and sporting initiatives (e.g. guided museum tours, such as those organised as part of the support for the Fondazione Brescia Musei Alliance for Culture project, and season tickets for the Germani Brescia Basketball 2025/2026 season);
- Personalised training plan
- free health screenings for employees (e.g. free blood and urine tests and free flu vaccination on company premises);
- corporate ESG campaigns focused on employees;
- social policies focused on employee well-being;
- simplified management of employee relations through platform;
- well-being training activities (e.g. presence of a nutritionist on site).

Personnel selection

The selection, recruitment, management and development of personnel are carried out exclusively on the basis of merit, expertise, experience and potential. The resource is employed with the company after various selection phases, which are different depending on whether it is a direct hiring or temporary employment, and on the type of profile. For senior or managerial profiles, appointment takes place after at least 3 selection interviews. In the selection process, specialised firms are sometimes consulted, primarily during the initial phase of presenting the shortlist of candidates.

Onboarding

New hires follow an induction process that combines information, training and operational instruction. At the initial stage, the 'Company Information Pack' is provided and shadowing with an experienced operator is planned, with the aim of ensuring guided learning of the assigned activities and the related methods for controlling environmental impacts. The onboarding programme includes detailed information on the health and safety risks associated with the production site and the assigned department, in accordance with Legislative Decree 81/08, as amended, with specific reference to safety signage, the use of PPE and the correct procedures for operating machinery and equipment.

In parallel, the environmental aspects relevant to the role, the operational prevention measures, the applicable procedures (including the management of waste and hazardous substances), the implications arising from failure to comply with company requirements and the contribution required from each individual worker to ensure compliance with current environmental requirements are explained.

At the end of the briefing phase, the department manager defines and oversees a period of operational shadowing, aimed at consolidating the technical and behavioural skills required for the role.

Staff training

Gnutti Group is committed to providing its employees with comprehensive and tailored training, both regarding their specific duties and company protocols (or in the event of role changes), as well as with a view to personal development. The Group provides the necessary resources to use external collaborations and consultancies, purchase/rent the necessary equipment, involve internal functions for possible teaching activities.

During 2025, training activities were organised in a more structured and targeted manner. This was achieved both by consolidating corporate roles requiring specific expertise and by intensifying activities directed at employees. In addition to providing in-depth training on technical and regulatory matters, professional development programmes for key personnel were launched, together with personal development initiatives for employees, including language courses. Employees were also encouraged to take greater responsibility for cybersecurity through the introduction of a dedicated platform, short information modules and brief activities directly involving personnel with access to company data.

The Gnutti Cirillo Human Resources Operating Procedure, updated in June 2025, defines the methods for establishing the annual training plan. Training needs are identified by the function managers, who formulate proposals based on requests from personnel or in response to emerging organisational, technical or regulatory requirements, such as: the onboarding of new employees, changes in job duties, the introduction of new technologies or substances, legislative updates, the strengthening of cross-functional company skills, as well as changes to environmental and energy aspects and impacts or to the documentation of the SGAE/SGSL management systems.

Training activities are delivered by qualified internal personnel or by selected external organisations.

Periodic assessments

At Group level, the performance appraisal process is currently structured on an annual basis, with measurement at the end of the financial year. Each manager provides an assessment of their team members, based on the assigned objectives and the results achieved. The entire workforce is involved through appropriate communication on the process and the criteria adopted. The outcomes of the assessments entail the classification of employees according to the level of performance demonstrated.

In the coming years, the system is expected to evolve into a more structured model, aimed at strengthening alignment between individual performance and the Group's strategic objectives.

Health and safety at work

Gnutti Group places the health and safety of its workers at the heart of its operations, encouraging its employees to pay the utmost attention to their own health and well-being. To this end, the Company promotes compliance with internal policies and legal provisions regarding occupational health and safety, as well as with the sector's National Collective Labour Agreement.

For the Italian companies, activities are managed in accordance with the relevant regulatory provisions, governed primarily by Legislative Decree 81/2008. Specifically, in all corporate entities, a Risk Assessment Document ('Documento di valutazione dei rischi' o 'DVR') is prepared, through which all existing risk factors are identified. The assessment process is carried out by the Employer, with the support of the Prevention and Protection Service Manager (RSPP), the occupational physician and external consultants.

The Group's foreign companies also adopt systems equivalent to the Risk Assessment Document ('Documento di valutazione dei rischi' o 'DVR'), as required by the applicable national legislation, which ensure that risks are assessed and preventive measures are implemented in line with international occupational health and safety standards. These systems also provide for the appointment of specialised internal personnel or external professionals entrusted with managing matters relating to the protection of workers' health and safety.

Gnutti Cirillo has embarked on a programme to update and improve the fire-fighting equipment available, as well as to install new extraction filters to reduce mist, with the aim of improving air quality in working environments. Confirming its commitment to protecting workers' health and safety, in 2025 the Company obtained ISO 45001 certification.

Gnutti Cirillo monitors the coverage of corporate roles responsible for occupational health and safety and periodically updates the related training, in accordance with the applicable regulatory provisions. With a view to prevention and improvement, the Near Miss reporting system has also been strengthened, with the aim of promptly identifying potentially hazardous situations and reducing the occurrence of workplace accidents. This approach has been further enhanced through the corporate portal dedicated to safety management, helping to make the Company's commitment to eliminating injuries tangible.

Through the Supplementary Agreements signed with the respective Unitary Trade Union Representatives (R.S.U.), Tiemme, Valvosanitaria Bugatti and Gnutti Cirillo have also defined a series of initiatives aimed at strengthening the protection of the health, safety and well-being of their employees.

In particular, Gnutti Cirillo has joined the WHP (Workplace Health Promotion) network, promoted by ATS Lombardia, accrediting its Lumezzane and Odolo plants under the programme dedicated to promoting health and well-being in the workplace. In April 2026, the Company received the relevant certificate of recognition, attesting to its commitment to promoting a corporate culture focused on health, prevention and people's well-being.

With regard to occupational health and safety, Tiemme and Gnutti Cirillo have established a Joint Committee tasked with monitoring and analysing the trend in workplace injuries and near misses. The Committee meets on a six-monthly basis, or at the request of the R.S.U., in order to investigate the causes of the events identified, pinpoint any critical issues and assess the adoption of appropriate corrective and preventive measures.

Objectives related to managing material negative impacts and enhancing positive impacts and the management of material risks and opportunities

ESRS Standard
ESRS S1 S1-5, ESRS 2 MDR-T

The Group is committed to promoting the well-being, safety and inclusion of its employees, adopting objectives designed to ensure a safe, inclusive work environment that supports professional development.

Gnutti Group has defined **qualitative objectives relating to its own workforce**. Quantitative objectives will be defined more specifically as data collection and monitoring systems are progressively developed and the regulatory framework evolves.

Material topics	Objectives	Actions	SDGs	Social targets
S1 Own workforce				
	Ensure knowledge and skills to sustainable development	ESG training programme for employees and integration of a sustainable culture into business processes.		
Working conditions Equal treatment and opportunity for all	Promote equal opportunities, diversity and inclusion, fostering gender balance and recognising women's leadership.	Promote female participation and leadership at all decision-making levels Adoption of inclusive selection procedures Ensuring equal career opportunities Develop a welfare system across all Group sites	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	**4.3** Significantly increase by 2030 the number of young people and adults with specific skills - including technical and vocational skills for employment and decent jobs. **8.3** Promote development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation. **8.8** Protect labour rights and promote a working environment that is healthy and safe for all workers.
	Protect health, safety and well-being in the workplace	Achieve a high standard of occupational health and safety across all Group sites.		

Employee characteristics

ESRS Standard
ESRS S1 S1-6, ESRS 2 MDR-M

Employees

As at 31 December 2025, Gnutti Group had 772 employees, of whom 699 (90.5%) were employed by the Group's Italian companies. The data includes the employees of Gnutti Cirillo, Tiemme, Valvosanitaria Bugatti, Elettromaule Component e MFT, Tiemme Systems, Tiemme Hellas e Sistemas Tiemme. The data in the tables below have been reported on the basis of the workforce at the end of the period ('Head Count') and have been processed on the basis of the available personal data.

Employees	2025		
	Women	Men	Total
Total employees at the end of the period / by gender	176	596	**772**

As at the reporting date, no communications have been received from employees stating that they do not identify with these genders or that they wish not to disclose the gender with which they identify, irrespective of personal data and biological sex. The Tiemme Group's foreign companies (Tiemme Systems, Tiemme Hellas and Sistemas Tiemme) are not included in the scope of these tables, as homogeneous and fully comparable data are not yet available for reporting purposes.

Employees	2025			2024		
	Women	Men	Total	Women	Men	Total
Total employees at the end of the period / by gender	164	564	**728**	157	564	**721**
Total number of employees by gender / geographical area						
Italy	161	538	**699**	154	539	**693**
United States	3	26	**29**	3	25	**28**
Total	**164**	**564**	**728**	**157**	**564**	**721**

Gnutti Group employees are predominantly employed on permanent contracts (98.9% of the total workforce in 2025). There are also employees employed under fixed-term contracts, representing 1.1% of the total, a slight increase compared with 2024.

	2025			2024		
	Women	Men	Total	Women	Men	Total
Total number of employees by gender / contract type						
permanent contract	163	557	720	155	560	715
fixed-term contract	1	7	8	2	4	6
Total	**164**	**564**	**728**	**157**	**564**	**721**
Total number of permanent employees by gender / geographical area						
Italy	160	531	691	152	535	687
United States	3	26	29	3	25	28
Total	**163**	**557**	**720**	**155**	**560**	**715**
Total number of fixed-term employees by gender / geographical area						
Italy	1	7	8	2	4	6
United States	-	-	-	-	-	-
Total	**1**	**7**	**8**	**2**	**4**	**6**

In 2025, **full-time employees represent 90.8%**, while 9.2% are on part-time contracts.

	2025			2024		
	Women	Men	Total	Women	Men	Total
Total number of employees by employment type / by gender						
Full-time	103	558	661	100	558	658
Part-time	61	6	67	57	6	63
Total	**164**	**564**	**728**	**157**	**564**	**721**
Total number of full-time employees by gender / geographical area						
Italy	100	532	632	97	533	630
United States	3	26	29	3	25	28
Total	**103**	**558**	**661**	**100**	**558**	**658**
Total number of part-time employees by gender / geographical area						
Italy	61	6	67	57	6	63
United States	-	-	-	-	-	-
Total	**61**	**6**	**67**	**57**	**6**	**63**

Turnover

The 2025 hiring figure is largely attributable to the Italian companies Gnutti Cirillo and Tiemme (39 hires out of a total of 49). Most hires relate to workers in the 30–50 age group (55.1% of total hires), followed by workers up to 29 years of age (40.8% of total hires). The overall net turnover rate in 2025 is 1%, confirming the stability of Gnutti Group's workforce, where departures, mainly comprising voluntary resignations and retirements, are balanced by new hires.

Turnover	2025			2024		
	Women	Men	Total	Women	Men	Total
Hires						
Under 30 years	4	16	20	2	8	10
30 to 50 years	9	18	27	4	6	10
Over 50 years	1	1	2	1	7	8
Total	**14**	**35**	**49**	**7**	**21**	**28**
Departures						
Under 30 years	2	9	11	1	4	5
30 to 50 years	2	10	12	-	5	5
Over 50 years	3	16	19	1	3	4
Total	**7**	**35**	**42**	**2**	**12**	**14**
Reason for departure						
Voluntary departures	4	17	21	1	6	7
Retirement	1	13	14	-	-	-
Dismissal	-	4	4	-	2	2
Death in service	1	-	1	-	1	1
Other (e.g. end of fixed-term contracts)	1	1	2	1	3	4
Total	**7**	**35**	**42**	**2**	**12**	**14**
Departures						
Positive turnover - hires	8.9%	6.2%	6.8%	-	-	-
Negative turnover - departures	4.5%	6.2%	5.8%	-	-	-
Total	**4.5%**	**- %**	**1.0%**	**-**	**-**	**-**

Employee characteristics

ESRS Standard
ESRS S1 S1-7, ESRS 2 MDR-M

The figure for other workers refers to non-employee personnel engaged on an ongoing basis by Gnutti Group for specific activities and includes agency workers and workers with a coordinated and continuous collaboration contract (Co.co.co). The total number of non-employee workers in 2025 is **31** (of whom 25 are men and 6 are women), a slight increase compared with 2024.

Workers who are not employees	2025			2024		
	Women	Men	Total	Women	Men	Total
Total number of non-employees at the end of the period / by gender						
Temporary agency workers	6	24	30	5	22	27
Coordinated and continuous collaboration (Co.co.co)	-	1	1	-	1	1
Total	**6**	**25**	**31**	**5**	**23**	**28**

Collective bargaining

ESRS Standard
ESRS S1 S1-8, ESRS 2 MDR-M

Gnutti Group guarantees its employees freedom of association and the right to collective bargaining. 100% of employees are covered by national collective labour agreements applicable according to their sector of activity and place of work. In Italy, Gnutti Group manages contractual relationships with its workers in compliance with the applicable National Collective Labour Agreements (CCNL) and the provisions of current legislation governing employment relationships with employees and workers engaged under collaboration arrangements. In particular, the collective bargaining agreement applied is the National Collective Labour Agreement for the Metalworking Industry.

Diversity metrics

ESRS Standard
ESRS S1 S1-9, ESRS 2 MDR-M

Women account for 22.5% of the Group's total employees as at 31 December 2025.

In 2025, as in the previous year, the most represented employee category within the workforce was male blue-collar workers, who accounted for 54.4% of total employees. This composition reflects the nature of the activities carried out by the Group companies and remains substantially stable compared with previous years. As at 31 December 2025, the majority of employees (49.9%) fall within the 30 to 50 age bracket, in line with the previous financial year; 37.1% are over 50 years old and 13% are under 30. This distribution confirms a stable workforce structure characterised by well-established skills. The age distribution of the workforce reflects the industrial nature of the Group, where accumulated experience and knowledge of production processes represent a significant factor.

The data for the two-year period, collected as at 31 December 2025, are reported below. The age brackets are determined on the basis of age as at 31 December.

Employee diversity	2025			2024		
	Women	Men	Total	Women	Men	Total
Employees by category / by gender						
Top managers	-	13	13	-	13	13
Middle managers - White-collar workers	106	155	261	104	148	252
Workers	58	396	454	53	403	456
Total	**164**	**564**	**728**	**157**	**564**	**721**
Employees by category / by gender %						
Managers	0.0%	1.8%	1.8%	0.0%	1.8%	1.8%
Middle managers - White-collar workers	14.6%	21.3%	35.9%	14.4%	20.5%	35.0%
Workers	8.0%	54.4%	62.4%	7.4%	55.9%	63.2%
Total	**22.5%**	**77.5%**	**100.0%**	**21.8%**	**78.2%**	**100.0%**
Employees by age group / by gender						
Under 30 years	16	79	95	14	83	97
30 to 50 years	76	287	363	76	284	360
Over 50 years	72	198	270	67	197	264
Total	**164**	**564**	**728**	**157**	**564**	**721**
Employees by age group / by gender %						
Under 30 years	2.2%	10.9%	13.0%	1.9%	11.5%	13.5%
30 to 50 years	10.4%	39.4%	49.9%	10.5%	39.4%	49.9%
Over 50 years	9.9%	27.2%	37.1%	9.3%	27.3%	36.6%
Total	**22.5%**	**77.5%**	**100.0%**	**21.8%**	**78.2%**	**100.0%**

Employee diversity	2025				2024			
	Under 30 years	30 to 50 years	Over 50 years	Total	Under 30 years	30 to 50 years	Over 50 years	Total
Employees by category / age group								
Managers	-	3	10	13	-	3	10	13
Middle managers - White-collar workers	28	137	98	263	26	137	89	252
Workers	67	223	162	452	71	220	165	456
Total	**95**	**363**	**270**	**728**	**97**	**360**	**264**	**721**
Category / age group %								
Managers	0.0%	0.4%	1.4%	1.8%	0.0%	0.4%	1.4%	1.8%
Middle managers - White-collar workers	3.8%	18.8%	13.5%	36.1%	3.6%	19.0%	12.3%	35.0%
Workers	9.2%	30.6%	22.3%	62.1%	9.8%	30.5%	22.9%	63.2%
Total	**13.0%**	**49.9%**	**37.1%**	**100.0%**	**13.5%**	**49.9%**	**36.6%**	**100.0%**

People with disabilities

ESRS Standard
ESRS S1-12, ESRS 2 MDR-M

During 2025, Gnutti Group continued to ensure compliance with regulatory obligations concerning the employment of protected categories, in accordance with the provisions in force in the various countries in which it operates, including Law No. 68/1999 in Italy.

The number of workers with disabilities reported in the following table refers to people belonging to the protected categories actually employed by the Group. The figure reflects the characteristics of the sector in which Gnutti Group operates, where the employment of people with disabilities may be more complex due to the operational constraints associated with production processes.

Employee diversity	2025			2024		
	Women	Men	Total	Women	Men	Total
Employees with disabilities	7	15	**22**	7	16	**23**
% Employees with disabilities / Total employees	4.3%	2.7%	**3.0%**	4.5%	2.8%	**3.2%**

Training and skills development

ESRS Standard
ESRS S1 S1-13, ESRS 2 MDR-M

Training is a fundamental element in supporting employees' professional growth and skills development. In 2025, a total of **3,863 hours of training** was delivered, corresponding to an average of **5.3** hours per employee, an increase compared with 2024. The training activities carried out during the year covered, in addition to mandatory training on occupational health and safety, the strengthening of language, technical and digital skills, as well as the development of knowledge of management and quality systems, with particular reference to ISO 9001 standards and audit activities. The training courses also covered administrative and employment-law topics, environmental and waste management, including aspects related to RENTRI and ADR, as well as ESG sustainability matters. At the same time, initiatives were promoted to develop soft skills, including assertive communication and management development.

Employee training	2025			2024		
	Women	Men	Total	Women	Men	Total
Employees by category / by gender						
Managers	-	8.2	8.5	-	9.6	9.6
Middle managers - White-collar workers	4.7	9.3	7.4	4.0	6.6	5.5
Workers	2.6	4.2	4.0	1.9	3.6	3.4
Total	**4.0**	**5.7**	**5.3**	**3.3**	**4.6**	**4.3**

Health and safety

ESRS Standard
ESRS S1 S1-14, ESRS 2 MDR-M

Injuries

In 2025, in line with 2024, there were no fatal or serious accidents. During the reporting period, 15 injuries were recorded among employees, a figure slightly higher than in the previous year.

Work-related injuries - Employees	Unit	2025	2024
Work-related injuries			
Fatal injuries		-	-
Serious injuries		-	-
Other incidents	No.	15	12
Total recordable incidents		**15**	**12**
of which: Commuting incidents		-	-
Total hours worked	**h**	**1,186,710**	**1,178,605**
Days of absence due to injuries	No.	479	175
Injury ratios			
Injury Frequency Rate (No. of injuries / hours worked x 1,000,000)		12.64	10.18
Fatal		-	-
Serious injuries		-	-
Other incidents		12.64	10.18
Injury Severity Rate (days of absence due to injuries / hours worked x 1,000)		**0.40**	**0.15**

Work-related injuries – Other workers

The indicators monitored also include injuries involving non-employee workers of Gnutti Group operating at company sites and/or under the Group's control. In 2025, one work-related injury was recorded, which occurred within the perimeter of Gnutti Cirillo

Occupational diseases

In 2025, Gnutti Group recorded no cases of occupational disease among its employees. Consequently, no days of absence related to occupational diseases were recorded. No cases were identified among non-employee workers operating at its sites.

Work-life balance

ESRS Standard
ESRS S1 S1-15, ESRS 2 MDR-M

All Gnutti Group employees are entitled to family leave in accordance with applicable legislation. The following table presents data on employees who took such leave: during 2025, a total of **74 employees** took it, of whom 19 were women and 55 were men.

Family leave (HC)	2025			2024		
	Women	Men	Total	Women	Men	Total
Number of employees entitled to family leave / by gender	164	564	**728**	149	533	**682**
Number of employees who took family leave / by gender	19	55	**74**	33	37	**70**
Percentage of employees who took family leave among those entitled	11.6%	9.8%	**10.2%**	22.1%	6.9%	**10.3%**
Percentage of employees who took family leave out of total employees	11.6%	9.8%	**10.2%**	21.0%	6.6%	**9.7%**

Incidents, reports and severe impacts with regard to human rights

ESRS Standard
ESRS S1 S1-15, ESRS 2 MDR-M

It should be noted that, during the reporting period and in previous periods, there were no incidents of discrimination based on race, colour, sex, religion, political opinion, national extraction or social origin, as defined by the ILO (International Labour Organization), or other relevant forms of discrimination involving internal and/or external stakeholders.

During the reporting period, no disputes or cases of breaches of relevant laws and/or regulations relating to social and economic provisions arose.

No significant sanctions of this nature were received during the 2025-2024 period, and no significant proceedings are reported in this regard.

Workers in the value chain

Topic	Sub-topic	Sub-sub-topic	SDGs
S2 Workers in the value chain	Working conditions	Secure employment Health and safety	4 QUALITY EDUCATION
	Equal treatment and opportunity for all	Gender equality and equal pay for work of equal value Training and skills development Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Other associated rights at work	Child labour Forced labour	10 REDUCED INEQUALITIES

Material impacts, risks and opportunities concerning workers in the value chain

ESRS Standard
ESRS 2 SBM-3

Impacts	
Working conditions	Negative impacts related to working conditions along the value chain, which may adversely affect human rights and other individual rights (working time – inadequate wages – social dialogue – freedom of association – health and safety).

Impacts	
Equal treatment and opportunity for all	Potential negative impacts related to working conditions that are not fully inclusive, where equal treatment and equal opportunities for all workers are not ensured in operational and organisational contexts.
Other labour-related rights	Potential negative impacts due to failure to ensure the protection of workers' rights and working conditions that exclude all forms of forced and child labour.

Risks/Opportunities	
Working conditions	**Risks** Legal, market and reputational risks associated with the consequences of possible cases of non-respect for workers' rights and accidents and/or work-related injuries in the supply chain (business interruption – litigation – reputation).
Equal treatment and opportunity for all	**Risks** Legal, reputational and market risks due to the occurrence of incidents of discrimination among workers in the value chain, caused by inadequate measures and protocols for protecting diversity and equal opportunities (operational disruption – litigation – reputation).
Other labour-related rights	**Risks** Legal, reputational and market risks associated with potential cases of child and forced labour along the supply chain and consequent reputational repercussions.

The Group has identified and assessed the material impacts, risks and opportunities arising from its strategy and business model and from its relationships with value chain actors. The Group is committed to assessing and monitoring its supply chain. A detailed mapping of the entire Supply Chain is not currently available, particularly of indirect suppliers and their related geographical areas. All identified impacts are potential in nature and widespread across the supply chain, rather than attributable to individual events or specific relationships. Impacts on workers in the value chain mainly concern working conditions across the production chain, with reference to working hours, wage levels, social dialogue, freedom of association and health and safety.

These impacts may be negative in nature, particularly in geographical contexts characterised by lower levels of protection. The identified impacts give rise to legal, reputational and operational risks for the Group. Failure to respect workers' rights or the occurrence of incidents and injuries across the supply chain may result in litigation, disruption to operations and reputational damage.

Similar risks may arise in relation to incidents of discrimination among workers, where adequate measures to safeguard equal opportunities are not adopted. Further risks are associated with potential cases of child or forced labour in the supply chain, with possible negative repercussions in terms of reputation and market access. No material opportunities directly connected to impacts on workers in the value chain have been identified; the analysis mainly highlighted risk profiles to be overseen.

Policies related to workers in the value chain

ESRS Standard
ESRS S2 S2-1, ESRS 2 MDR-P

Gnutti Group recognises that respect for human rights constitutes a fundamental principle that must guide not only its own activities, but also those carried out throughout the entire value chain. These principles are explicitly recognised and governed in the Group's policies, in particular in the **Code of Ethics** and the **Human Rights Policy**, which define the values of reference, standards of conduct and commitments undertaken.

The Group is committed to promoting fair, dignified working conditions that comply with regulatory standards and applicable international principles, extending this commitment also to workers employed by third parties that operate on its behalf or in its interest. The Group Human Rights Policy applies to suppliers, consultants, distributors and business partners. These parties are required to read the Policy and to undertake a formal contractual commitment to comply with the principles and rules set out therein. The Group requires these counterparties to promote and ensure the adoption of the same principles among their employees, workers and subcontractors, ensuring conduct consistent with the human rights protection standards defined by the Group. Gnutti Group's Code of Ethics expresses its active commitment to promoting and protecting universally recognised human rights and combating all forms of discrimination. The document, which applies to all those who work for or are associated with the Group, sets out a zero-tolerance stance on child and forced labour, prohibiting any business relationship with organisations that engage in such forms of exploitation or with companies operating in areas where human rights are not adequately respected.

As part of the responsible management of the supply chain, the Group promotes compliance with the principles of the Code of Ethics and internal procedures by suppliers, business partners and other third parties. Where applicable, adherence to these principles is a condition for establishing and maintaining contractual relationships. Gnutti Cirillo has adopted an **Organisation, Management and Control Model pursuant to Legislative Decree 231/2001**, as a safeguard designed to prevent offences and strengthen the principles of legality and transparency, including in relations with value chain entities. Within contractual relationships, specific clauses may be included to protect the Company, including the right to terminate the contract in the event of regulatory breaches or failure to comply with the ethical and organisational principles adopted.

Processes to remediate negative impacts and channels enabling workers in the value chain to raise concerns

ESRS Standard
ESRS S2 S2-2, ESRS S2 S2-3

The whistleblowing procedure adopted applies not only to individuals within the organisation, but also to external parties, including suppliers and workers operating across the value chain. It clearly governs reporting methods and channels, both internal and external, through which such parties may report any unlawful conduct, irregularities or breaches of the ethical principles of which they have become aware in the performance of their work activities. The Group Company that may be concerned by a report guarantees the protection of the confidentiality and identity of the persons involved, facilitators and persons mentioned, until the conclusion of the proceedings initiated, ensuring the same safeguards as those provided for the reporting person.

Actions and resources for workers in the value chain

ESRS Standard
ESRS S2 S2-4, ESRS 2 MDR-A

In its relationship with the supply chain, Gnutti Cirillo has adopted a supplier qualification and assessment process, with a focus on listening to suppliers' needs and protecting human rights and workers' rights. In this context, an initial ESG self-assessment was launched in 2025, which also includes questions relating to the working conditions guaranteed to employees.

As provided for in the Code of Ethics, suppliers are required to guarantee their workers decent working conditions and full respect for fundamental human rights. For this reason too, workers in the value chain are indirectly involved through supplier engagement activities.

In May 2026, two pilot audits were conducted at 2 suppliers, as part of the process of supply chain oversight and dialogue.

Objectives related to managing material negative impacts, enhancing positive impacts and the management of material risks and opportunities

ESRS Standard

ESRS S2 S2-5, ESRS 2 MDR-T

The Group has defined **qualitative objectives relating to value chain workers**. Quantitative objectives will be defined in detail in relation to the progressive development of data collection and monitoring systems and the evolution of the regulatory context.

Material topics	Objectives	Actions	SDGs	Social targets
S2 Workers in the value chain				
Working conditions Other labour-related rights	Supply chain traceability	Strengthen supplier control and qualification processes, promoting shared standards on environmental, social and governance sustainability.		**8.8** Protect the right to work and promote a healthy and safe working environment for all workers **12.6** Encourage businesses, in particular large multinational companies, to adopt sustainable practices

Consumers and end-users

Topic	Sub-topic	Sub-sub-topic	SDGs
S4 Consumers and end-users	Impacts relating to information for consumers and/or end-users	Confidentiality	9 Industry, innovation and infrastructure
	Personal safety of consumers and/or end-users	Health and safety Personal safety	

Related material impacts, risks and opportunities to consumers and end-users

ESRS Standard
ESRS 2 SBM-3

Impacts	
Impacts relating to information for consumers and/or end-users	Potential negative impacts on privacy protection (processing of sensitive information) and information systems security (potential security breaches or data breaches).
Personal safety of consumers and/ or end-users	Negative impacts: failure to comply with safety standards for the products offered, in line with customers' compliance standards for the protection of end-users' health and safety.

Risks/Opportunities	
Impacts relating to information for consumers and/or end-users	**Risks** Legal and reputational risks associated with breaches of the confidentiality, integrity and availability of corporate personal data – including supplier and customer data – and of strategic or confidential information, due to unintentional errors by internal personnel or unlawful acts by external and/or internal parties, such as cyberattacks or malware.

Risks/Opportunities	
Personal safety of consumers and/ or end-users	**Risks** Legal risks (penalties, litigation, administrative proceedings), market and reputational risks arising from non-compliance with regulatory requirements relating to product safety and quality, including any customer complaints.

Impacts on consumers and end-users arise from product characteristics, choices of materials and production processes, as well as from the way information is communicated and managed. In the case of Gnutti Group, these aspects are closely linked to product quality and the safety of the materials used. These impacts may originate both from direct activities and from elements of the value chain, particularly in relation to the supply of materials. These elements influence operational choices and are integrated into the business model.

With regard to safety, any shortcomings in the quality of materials or in production processes may have adverse effects on end-users. Product defects or failure to comply with standards may entail health risks.

With regard to information and data protection, the management of digital channels and commercial activities exposes the business to the risk of unauthorised access or data loss. Any breaches may compromise customers' personal information and affect trust in the business.

Significant risks arise from these impacts. Communication that is not consistent with product characteristics may generate negative perceptions and affect the brand's reputation. Failure to comply with quality and safety standards may result in complaints, litigation and possible sanctions. In the digital sphere, inadequate data protection measures may expose the business to legal and financial risks.

The management of these impacts and risks guides the company's operational decisions and measures, with the aim of ensuring the quality, safety and reliability of the products and services offered.

For further information on the process for identifying material impacts, risks and opportunities, please refer to the chapter *Material topics*.

Policies related to consumers and end-users

ESRS Standard
ESRS S4 S4-1, ESRS 2 MDR-P

As part of its commitment to quality, responsibility and sustainability, the Group adopts policies designed to protect consumers and end-users, promoting the safety, reliability and compliance of its products.

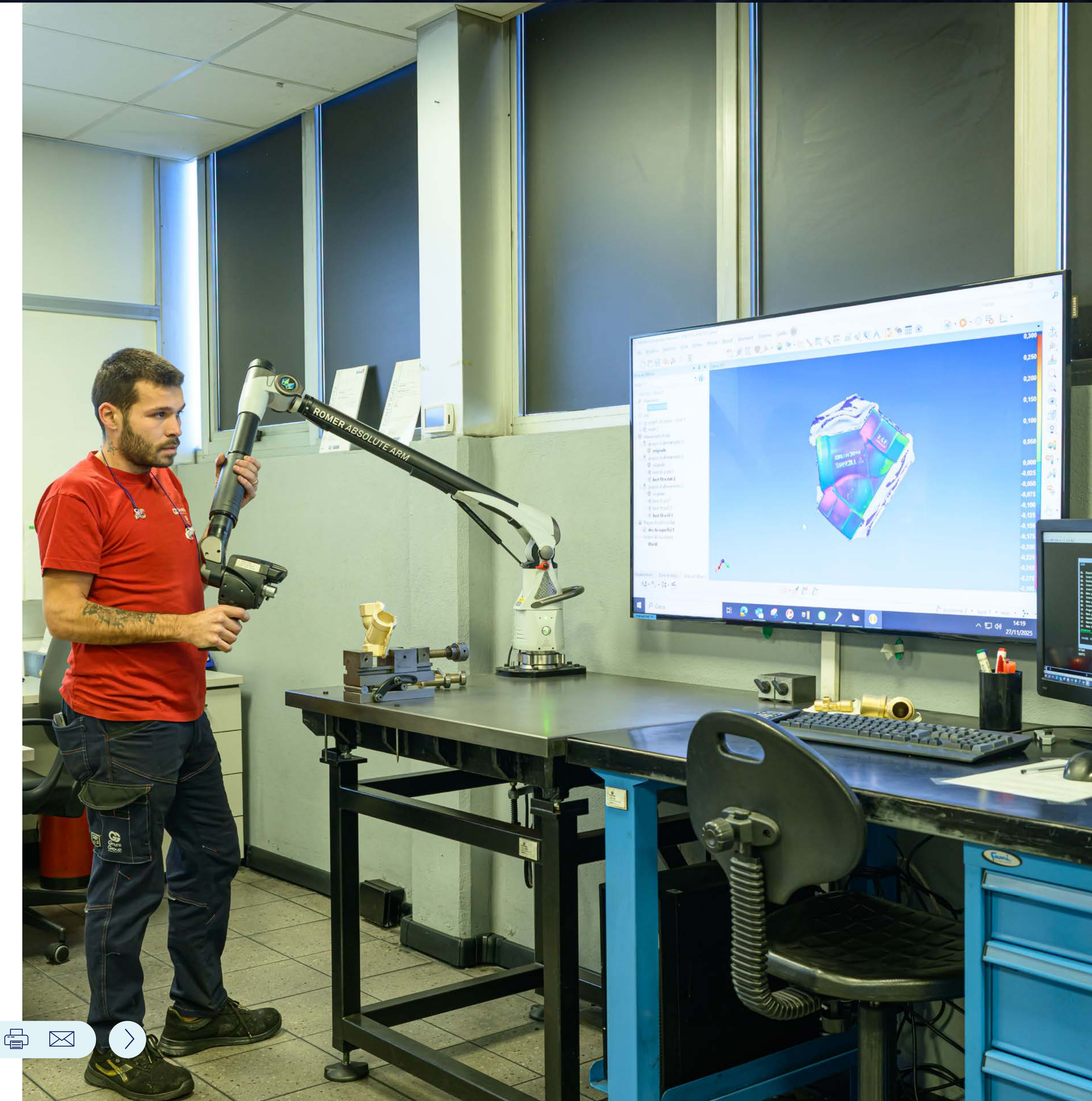
The Code of Ethics defines Gnutti Group’s Mission to support customers through the supply of high-quality brass components, ensuring on-time delivery, expertise and responsibility.

Gnutti Cirillo, Tiemme, Valvosanitaria Bugatti and Elettromaule Component adopt **Quality Policies** geared towards the design, production and marketing of systems and components in line with applicable requirements and customer expectations. The Quality Management System, compliant with ISO 9001, provides the framework for defining objectives, processes and responsibilities, ensuring that the required standards are maintained.

Through these Policies, the Companies undertake to recognise the contribution of skilled and empowered people, ensuring adequate resources and organisational structures and promoting customer engagement. The continuous monitoring of performance, the verification of process outputs and systematic communication to Management of results and opportunities for improvement support a process-based approach founded on the PDCA (Plan-Do-Check-Act) cycle and on risk-based thinking, aimed at continuous improvement, customer satisfaction and compliance with applicable regulations.

Also within the scope of its **ESG Policy**, Gnutti Cirillo is committed to safeguarding its consumers by:

ESG Policy	Satisfying customer needs by offering a wide range of products, stock availability, prompt deliveries, and timely management of complaints
	Ensuring high product quality, precise manufacturing, validation of production processes, and dedicated testing



Consumer and end-user engagement, processes to remediate negative impacts and channels that enable consumers and end-users to raise concerns

ESRS Standard
ESRS 2 SBM-2, ESRS S4 S4-2, ESRS S4 S4-3

Gnutti Group promotes customer relationships based on transparency, reliability, respect and a service-oriented approach, ensuring attentive listening and a full understanding of each customer's specific needs.

A focus on customer needs, the measurement of Customer Satisfaction and the pursuit of quality are fundamental benchmarks for the development of business activities and for consolidating lasting, valuable relationships.

Customer satisfaction

Customer satisfaction is a fundamental pillar of the Group's strategy and an essential element in the process of value creation and in the pursuit of business success.

Gnutti Group's objective is to establish and strengthen solid, lasting relationships with its customers over time, positioning itself as a reliable, proactive and trusted partner, capable of offering a comprehensive service in line with the highest industry standards.

Customers are involved in business processes through targeted commercial initiatives, during which the distinctive products, quality and services offered are presented. Gnutti Cirillo administers a satisfaction questionnaire to active customers each year, designed to assess various aspects relating to the quality of the products and services provided. In 2025, the average score recorded was 4.66 on a scale from 1 to 5, an improvement on the score of 4.63 recorded in 2024. The full questionnaire results for the three-year period 2023-2025 are shown below.

Customer satisfaction questionnaire results	2025	2024	2023
No. of customers	164	150	158
Response rate	67%	67%	61%
Average rating (from 1 to 5)	4.66	4.63	4.58

The data shown in the table include, in addition to Gnutti Cirillo, data relating to Elettromaule Component. The other Group companies are excluded from the scope.

In addition to questionnaire data, further feedback from customer visits and interviews is gathered and reviewed, and summarised in a dedicated form. Periodically, customers or appointed third parties perform system and process evaluation audits. For Tiemme and Valvosanitaria Bugatti, customer satisfaction monitoring is based on the analysis of quantitative indicators such as revenue trends, the number of product families sold, overall volumes (number of pieces) and return requests. These parameters make it possible to objectively assess the level of market appreciation and the reliability of supplies.

Complaint management and customer engagement

To oversee customer satisfaction, Gnutti Cirillo has adopted a dedicated complaint management process that provides for the recording of notifications, the implementation of containment actions, the analysis of causes, the adoption of corrective actions in the event of an 'unsatisfied' assessment, and the subsequent sharing of outcomes with the customer.

Gnutti Cirillo, attentive to the needs of its stakeholders, publishes its Sustainability Report on the company website and promptly responds to questionnaires related to ESG topics. During 2025, the Company provided timely responses to more than 30 questionnaires, 2 of which were from non-EEA customers. To ensure quality standards, Gnutti Cirillo has implemented control procedures for incoming materials (supplier verification) and monitoring procedures for in-house production.

Monitoring is supplemented by direct dialogue with customers for quotations and specific technical requests, as well as by the use of structured forms for visits to new and existing customers, through which qualitative information on satisfaction levels is also collected. The feedback collected by area managers is shared with Senior Management and the other corporate functions, feeding into a continuous improvement process. Participation in international trade fairs represents a further opportunity for engagement with the market and competitive benchmarking, helping to identify suggestions and development opportunities.

Actions and resources relating to consumers and end-users

ESRS Standard
ESRS S4 S4-4, ESRS 2 MDR-A

Gnutti Group is committed to ensuring the quality of its products through processes, shared standards and continuous performance monitoring. The Group promotes the continuous improvement of its activities and production processes, with the aim of ensuring reliability, compliance with applicable requirements and full customer satisfaction. This commitment involves all corporate functions, which contribute to the achievement of quality objectives through expertise, responsibility and collaboration.

The quality of the products offered is the concrete result of an integrated system that promotes skills, responsibility and awareness, supported by structured training and updating programmes aimed at all corporate levels.

Within its Quality System, Gnutti Cirillo has identified and pursued objectives specifically aimed at customer satisfaction, including:

- **Customer satisfaction**: a broad and comprehensive range of items to meet a variety of application needs; high availability of products in stock to ensure rapid order fulfilment times; punctual and reliable deliveries; effective and transparent management of complaints, with targeted corrective actions.
- **Product quality assurance**: careful design, compliant with customer requirements; precision in the implementation and production stages; ongoing validation of production processes; specific testing throughout the production chain to ensure product conformity.
- **Efficient management of production facilities**: continuous investment in the technological renewal of machinery; timely preventive and corrective maintenance activities; monitoring of production efficiency through measurable indicators; implementation of improvement projects aimed at strengthening responsiveness to the customer.
- **Reliability of the supply chain**: selection and ongoing engagement of suppliers to ensure their alignment with quality standards and customer expectations.
- **Care for employees**: professional development pathways to build service- and quality-oriented skills; staff retention strategies to ensure continuity and know-how, directly benefiting the end customer.

Through this integrated and customer-oriented approach, Gnutti Cirillo aims not only to meet expectations but to anticipate them, thereby contributing concretely to the creation of shared and lasting value.

Product safety

Safety is a pillar of Gnutti Group's model, which is committed to guaranteeing quality products that comply with regulations (e.g. REACH, RoHS), including through the forging and machining of low-lead alloys. The assurance of safe products begins at the design stage, through:

To monitor customer satisfaction, a Management Review is prepared annually by all Group companies, assessing complaints, non-conformities and the corrective actions undertaken. Complaint management involves recording the non-conformity, carrying out a technical analysis of the causes, defining and implementing the necessary corrective actions and, finally, involving Management and the relevant corporate functions to verify the effectiveness of the measures adopted. Where recurring issues arise, dedicated meetings are organised to identify the causes and define further improvement actions. Performance monitoring is supported by specific indicators (KPIs) and targets, which are used to measure levels of customer satisfaction and retention.

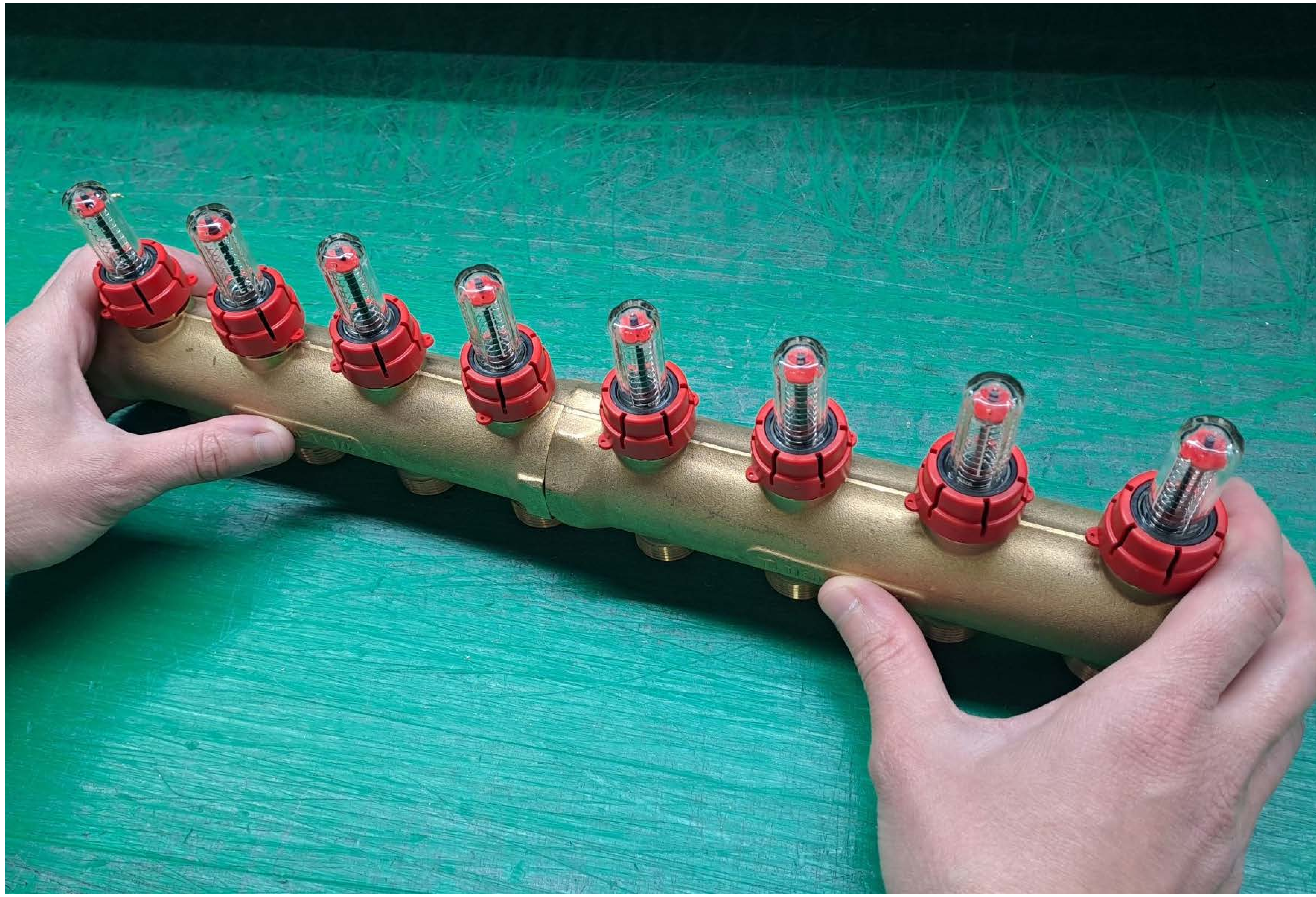
Cybersecurity

The increase in cyber threats and regulatory requirements makes cybersecurity a central issue. Cybersecurity is no longer only about protecting systems and data, but also about the ability to ensure business continuity and manage corporate risks. In this context, integrating cybersecurity into business processes is essential to protect the organisation's value and meet expectations related to governance and sustainability (ESG).

Against this backdrop, Gnutti Cirillo has launched a structured programme to strengthen its information security measures. This approach is based on a systemic method that includes the following key areas:

- **Risk analysis:** introduction of a formal methodology for identifying, assessing, and managing cybersecurity risks, aimed at reducing exposure to events that could compromise the confidentiality, integrity, and availability of information.
- **Operational continuity management**: implementation of business continuity and disaster recovery processes to ensure the organisation's ability to respond promptly to critical events and restore operations within acceptable timeframes.
- **Access control and information protection**: strengthening policies for logical and physical access, as well as improving technical and organisational measures to safeguard data.
- **Incident monitoring and management:** development of an internal framework for the timely detection, analysis, and response to security incidents, including through the formalisation of specific procedures.
- **Awareness and training**: an awareness plan to enhance the safety culture among all company personnel
- **Technological evolution**: a comprehensive review of systems and solutions in use, aimed at adapting them to new threats and strengthening the organisation's overall defensive posture

In parallel, initiatives have been launched in response to the expectations of customers subject to the NIS2 Directive[1] concerning the security of network and information systems, incorporating its principles and adapting the organisational and operational model to ensure consistent alignment with the expected requirements.



[1] Directive (EU) 2022/2555 of the European Parliament and of the Council

Objectives linked to the management of significant negative impacts, to enhancing positive impacts and managing material risks and opportunities

ESRS Standard
ESRS S4 S4-5, ESRS 2 MDR-T

At present, Gnutti Group has not yet set measurable, time-bound and outcome-oriented targets for the material topics identified; however, **qualitative objectives related to the information provided to consumers and end-users** have been defined. Quantitative objectives will be defined more specifically as data collection and monitoring systems are progressively developed and the regulatory framework evolves. In the context of a market characterised by increasing focus on the transparency, quality and origin of products, the Group has identified specific objectives aimed at its consumers and end-users.

Material topics	Objectives	Actions	SDGs	Social
targets				
S4 Consumers and end-users				
Impacts related to information for consumers and/or end-users	Customer dialogue and trust	Strengthen supplier control and qualification processes, promoting shared standards on environmental, social and governance sustainability.		**3.9** Substantially reduce the number of deaths and illnesses from hazardous chemicals and from contamination and air, water and soil pollution. **12.6** Encourage businesses, in particular large multinational companies, to adopt sustainable practices
		Strengthen dialogue with and listening to commercial stakeholders through customer satisfaction monitoring systems and initiatives aimed at the continuous improvement of the customer experience.		

04 Governance disclosures

Business conduct

Business conduct

Topic	Sub-topic	Sub-sub-topic	SDGs
G1 Business conduct	Corporate culture		16 Peace, justice and strong institutions
	Management of supplier relationships, including payment		
	Active and passive corruption	Prevention and detection, including training Incidents	

Material impacts, risks and opportunities relating to business conduct

ESRS Standard
ESRS 2 IRO-1

Impacts	
Corporate culture	Promoting and consolidating a corporate culture based on ethical business conduct generates positive impacts for internal and external stakeholders, strengthening the workforce's sense of belonging and fostering a sense of responsibility in relationships with workers, suppliers, customers and other stakeholders.
Management of supplier relationships, including payment	Negative impacts arising from inadequate supply chain management and/or failure to select and qualify suppliers in accordance with environmental and social standards and criteria, with consequences for the environment and people in the supply chain.
Active and passive corruption	Negative impacts arising from potential instances of active and passive corruption in dealings with stakeholders, resulting in distortions of competition.

Risks/Opportunities	
Management of supplier relationships, including payment practices	**Risks** Regulatory / legal, market and reputational risks arising from the presence of suppliers characterised by potentially negative environmental and social impacts. The risks may also result in business continuity issues (supply chain disruptions), increases in raw material costs, reputational damage, potential legal and contractual penalties, as well as administrative measures.

The analysis of the Business conduct topic enabled the identification of material impacts, risks and opportunities for Gnutti Group.

Promoting a corporate culture based on ethics and integrity generates positive effects for internal and external stakeholders, strengthens employees' sense of belonging and encourages responsible behaviour in relations with workers, suppliers and customers.

Inadequate management of the supply chain, including failure to select and qualify suppliers according to environmental and social criteria, may generate adverse effects on the environment and people throughout the supply chain, particularly in contexts with differing regulatory standards.

Supplier management exposes the Group to legal, regulatory, market and reputational risks in the presence of adverse environmental or social impacts. These risks may cause disruptions to the supply chain, increases in raw material costs and sanctions or administrative measures, with effects on operational continuity.

For further information on the process for identifying material impacts, risks and opportunities, please refer to the chapter *Material topics*.

Policies on corporate culture and business conduct

ESRS Standard
ESRS G1 G1-1, ESRS 2 MDR-P

The policies adopted are intended to prevent unlawful conduct, mitigate regulatory non-compliance and reputational risks, and promote a corporate culture based on integrity and transparency. For further information on Gnutti Group's Purpose, Vision and Mission, please refer to the Chapter *Strategy and business model*.

Organisation, Management and Control Model (Legislative Decree No. 231/2001

The Organisation, Management and Control Model (Model 231) pursuant to Legislative Decree 231/2001, adopted by Gnutti Cirillo, is designed to prevent the offences and administrative misconduct provided for by the legislation, as well as to promote ethical and legally compliant conduct among all those acting in the interests of the Company.

By updating the Model and monitoring risk areas, the Company strengthens its internal control system, fostering awareness of individual responsibilities and providing for specific sanctions in the event of any breach of the provisions contained therein.

Code of Ethics

The Group has adopted a Code of Ethics that defines the values, principles and rules of conduct with which all those operating within the subsidiaries controlled by Gnutti Cirillo, as well as those who have business relationships with them, must comply.

The Code defines the principles and values that guide the Group's activities, promotes a corporate culture founded on integrity, responsibility and transparency, encourages behaviour in compliance with applicable regulations and strengthens a shared Group identity, while respecting the legal, organisational and managerial autonomy of the individual Companies.

Through its Code of Ethics, Gnutti Group integrates consideration of social, environmental and governance aspects into its corporate growth strategies and the pursuit of its economic objectives, transparently communicating the values and principles that guide conduct, policies and results. The Group recognises the importance of pursuing sustainable development, contributing positively to environmental protection and to the growth of the social and economic context in which it operates.

Gnutti Group requires all recipients to align their conduct with the following principles:

Integrity, honesty and compliance with the law	Sustainable Development:	Dignity, equality and respect for human rights
Efficiency, effectiveness and economy	Diligence and a spirit of cooperation	Accuracy of accounting, transparency and truthfulness of corporate disclosures
Traceability	Prevention of conflicts of interest	Respect for competitors
Anti-corruption	Combating practices involving money laundering and fraud	Environmental protection
Promotion of health and safety in the workplace	Confidentiality and protection of personal data	

Whistleblowing

In accordance with Legislative Decree of 10 March 2023, no. 24, Gnutti Cirillo, Tiemme and Valvosanitaria Bugatti have established dedicated channels for receiving and managing reports within the whistleblowing system, ensuring a secure and effective mechanism for safeguarding legality and corporate transparency.

To this end, theey havw adopted an internal whistleblowing policy aimed at protecting the confidentiality of the reporting persons and ensuring the proper management of reports relating to violations of European Union law and national regulations. This policy sets out the procedures to be followed for the submission and handling of reports, ensuring compliance with regulatory requirements. The management of reports is entrusted to an external company to ensure the confidentiality of whistleblowers and professionalism in handling.

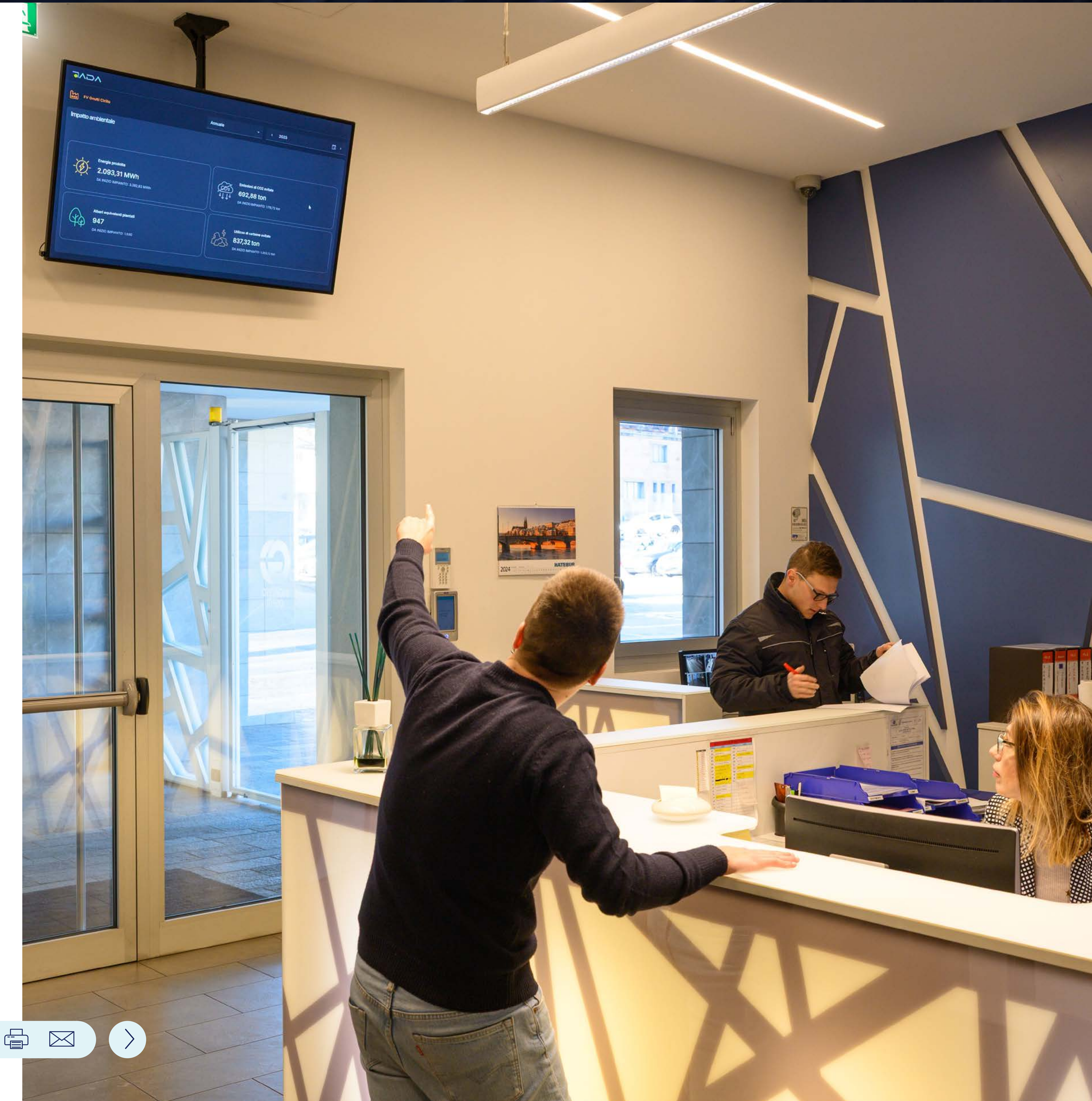
To ensure maximum transparency, the Companies have published the documents and information required by current legislation on their corporate websites. This enables employees and stakeholders to access the corporate provisions regarding whistleblowing and to understand the procedures for managing reports. As of the date of publication of this document, no reports have been received through the channels provided by the Companies, in accordance with applicable regulations. The Group Companies will continue to ensure the full operation of the system and to monitor the effectiveness of the measures adopted to promote an ethical working environment that complies with the applicable regulations.

Related material impacts, risks and opportunities relating to business conduct

ESRS Standard
ESRS G1 G1-2, ESRS 2 MDR-A

For Gnutti Group, suppliers' compliance with applicable laws and regulations is a fundamental and indispensable requirement for establishing and maintaining business relationships. Procurement activities are conducted in accordance with principles of integrity, transparency and mutual cooperation throughout the pre-contractual and contractual phases.

The reliability of suppliers and their ability to meet the specified requirements are fundamental elements in ensuring the quality of the products and services offered, as well as in mitigating the risk of delivery delays. These aspects are also particularly important in relation to the management of environmental issues, the monitoring of resource consumption and the energy efficiency of facilities, all of which can affect operational continuity and the overall performance of the supply chain.



Supplier selection and management

For Gnutti Cirillo, supplier selection is a strategic factor in achieving business performance. The identification and selection process is conducted with particular care, taking into account the different requirements associated with the procurement of raw materials, the provision of technical services and the management of production scrap.

The Company promotes relationships with its suppliers based on mutual collaboration and the sharing of quantitative and qualitative objectives, aimed at continuously improving the quality of products and services.

Supplier qualification

Supplier qualification begins with a preliminary assessment of their organisational and production structure. Depending on specific technical-qualitative, economic, or new item introduction needs, the Procurement Department identifies an initial group of potential suppliers to whom a request for quotation is sent.

Following analysis of the offers received, the supplier deemed most suitable is selected. This process also applies to suppliers that are already active, particularly during the start-up phases of the Quality System. Supplier qualification is carried out on the basis of the type of supply. Specific requirements are envisaged in accordance with ISO 14001: suppliers of raw materials and treatment contractors must hold ISO 14001 certification and, where applicable, an Integrated Environmental Authorisation (AIA). Where these requirements are not met and there is no evidence of possession of an Integrated Environmental Authorisation, a formal questionnaire is sent through which the supplier declares, under its own responsibility, compliance with all environmental regulatory obligations.

With regard to ISO 50001, Gnutti Cirillo ensures control over suppliers and the supply of products and services in order to enable the assessment of the energy performance of its significant energy uses (SEUs), with a view to continuous improvement, also including the purchase of energy. Suppliers that, following the checks and assessments described above, are found to be qualified are included in the Supplier List. This list is reviewed and, where necessary, updated at least once a year at the Management Review.

Occasional suppliers

For occasional suppliers, the Procurement Manager applies the same acceptability criteria used to assess other suppliers, giving preference, all other conditions being equal, to those geographically closest. If, during the year, purchases from the occasional supplier are no longer sporadic, or the supplier is deemed satisfactory from the very first supply, the EMS Manager shall ensure that the supplier becomes an established supplier and that the procedure described above is applied.

Requirements for raw material suppliers (bar)

Raw material suppliers (bar) are required to hold ISO 9001 quality management system certification and to comply with the following requirements:

- Supply of materials compliant with applicable regulations;
- Submission, with each delivery, of the certification documentation required by the purchase order;
- Annual evaluation of supplier performance;

Random samples are also taken on a quarterly basis and subsequently sent to an external laboratory for validation and confirmation of the alloy.

Supplier assessment

Supplier assessment is carried out by the Procurement Manager for the economic and logistical aspects of the supply, and by the Environmental and Energy Management System Manager for all other criteria. This assessment is based on the analysis of a range of data intended to verify the supplier's ability to ensure materials and services comply with the requirements set out in the procurement documents. Supplier assessment begins with the first supply of goods or services. The Procurement Department defines the expected quality level and, for suppliers considered critical or strategic (based on turnover or type of supply), annually communicates the quality level recorded on the basis of the pre-established criteria.

The periodic assessment of suppliers of production materials is carried out by the Quality Assurance Department. The related results are recorded using dedicated software that enables statistical processing of the data. Key suppliers are classified according to their level of criticality and relevance to the business and are subject to an annual assessment through a specific form designed to support the improvement and consolidation of the partnership.

Supplier audits are carried out at least every two years or whenever the need arises, particularly with regard to:

- critical or strategic suppliers
- new potential partners
- suppliers with unsatisfactory performance

The audit outcomes are shared with the supplier and accompanied, where necessary, by the required corrective or improvement actions. The relevant documentation, as well as verification of the effectiveness of the actions undertaken, is managed by the Quality Department in collaboration with the Procurement Department.

The Supplier Code of Conduct

During the year, Gnutti Cirillo initiated the adoption of its **Supplier Code of Conduct** with the aim of strengthening supply chain governance and promoting shared standards of conduct throughout the supply chain.

The document, which is expected to be approved during 2026, will define the principles and requirements expected of business partners in areas such as business ethics, regulatory compliance, the protection of human and labour rights, health and safety, environmental responsibility and integrity in business practices. Through the adoption of this policy, the Company intends to consolidate a responsible procurement model, fostering greater transparency and the monitoring of ESG risks in the supply chain, as well as promoting the progressive engagement of suppliers in pursuing the sustainability objectives of the Company and the Group.

Supplier monitoring

In May 2026, two pilot audits were conducted at 2 suppliers, as part of the process of strengthening oversight and dialogue with the supply chain.

Prevention and detection of active and passive corruption

ESRS Standard
ESRS G1 G1-3, ESRS 2 MDR-A

Gnutti Group is committed to preventing and combating all forms of corruption practices, whether direct or indirect, in the markets in which it operates, in order to avoid financial penalties, disqualification measures and custodial sentences for natural and legal persons.

Corruption prevention system

To ensure corporate conduct founded on principles of ethics, responsibility and transparency, the Company has introduced a system of tools and procedures designed to promote operational management in line with applicable regulations and corporate values. Among the main initiatives adopted, particular attention has been devoted to combating corruption, with the adjustment and evolution of control measures, ensuring the rigorous application of anti-corruption regulations. Gnutti Group promotes awareness of these issues through training programmes and internal reporting systems, enabling the timely and effective identification and management of any potential critical issues. These initiatives contribute to strengthening the climate of trust and corporate integrity, safeguarding the Company's reputation and ensuring transparent operations in compliance with legal requirements. All members of governance, as well as the entire workforce of Gnutti Group, are fully informed about the anti-corruption policies and procedures adopted by the organisation. The Group is committed to promoting a corporate culture based on transparency, integrity and regulatory compliance, ensuring that all personnel are fully aware of the responsibilities arising from the provisions in force.

Management of reports

Gnutti Cirillo
Company Supervisory Board

The Supervisory Body (also the 'SB') is responsible for overseeing: the functioning of and compliance with the Code of Ethics; compliance with, effectiveness, implementation and updating of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 in its entirety. The Supervisory Body is appointed by the Board of Directors pursuant to Legislative Decree No. 231/2001 (as amended and supplemented) and is endowed with autonomous powers of initiative and control. Subject to legal obligations and all safeguards provided under applicable laws or current collective labour agreements, the Supervisory Body is empowered to receive requests for clarification and reports of potential or actual breaches of this Code. The Supervisory Body is required to operate with the utmost confidentiality and with impartiality, continuity, professionalism, and autonomy. The Supervisory Body also operates with wide discretionary powers and the full support of the company's top management, with which it cooperates in complete independence.

Cases of active or passive corruption

ESRS Standard
ESRS G1 G1-4, ESRS 2 MDR-M

During the reporting period, as in previous years, no incidents of corruption or extortion occurred. In particular, there were no convictions nor were any sanctions imposed for breaches of anti-corruption and anti-money laundering regulations. No confirmed incidents of corruption were identified, nor were there any disciplinary measures or dismissals connected with such matters. No cases are reported in which contracts with business partners were terminated or not renewed due to breaches of this kind. Finally, there are no public legal proceedings ongoing or concluded against the Group Companies or their employees in relation to corruption-related matters. These results confirm the effectiveness of the prevention measures adopted by the Company and its ongoing commitment to promoting a culture of integrity, transparency and regulatory compliance.

External Relationships

Public Authorities

In its relations with the Public Administration, the Company acts in accordance with the principles of fairness, truthfulness, transparency, efficiency and cooperation. Such relations may be maintained exclusively by persons holding an appropriate delegated authority or power of attorney. Full compliance with the rules set out in the Code of Ethics is also required. By way of example, it is prohibited to offer money to Public Administration officials in order to favour the Company, to offer or accept benefits to obtain preferential treatment, or to take actions such as examining or proposing opportunities that may personally benefit Public Administration employees, or soliciting and obtaining confidential information.

Relations with suppliers

Suppliers are selected with the aim of achieving the best balance between economic benefit and quality of performance. In its relations with them, the Company adheres to the principles of transparency, equality, fairness and free competition.

Those responsible for interactions with suppliers are required to:

- establish transparent and collaborative relationships, in line with best commercial practices;
- secure suppliers' cooperation to consistently ensure the best balance between quality, cost and delivery times;
- demand application of the conditions agreed by contract;
- require suppliers to comply with the principles set out in the Code of Ethics;
- operate in compliance with current legislation and require its timely fulfilment (for example, by refusing gifts or benefits).

Interactions with political parties and trade unions

In relations with political parties and trade union organisations, the same rules apply as those established for Public Administration. Only forms of collaboration of a strictly institutional nature are permitted, such as conferences, seminars, studies and research.

Towards customers

Customers are prohibited from offering gifts or benefits to the Company's employees that could induce them to act in a manner contrary to the Company's interests, including its moral interests.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Gnutti Group

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FORGING & MACHINING TECHNOLOGY

MFT
METAL FORMING TECHNOLOGY

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ORIGINAL ITALIAN TRADEMARK

BUGATTI
HIGH QUALITY VALVES

ELETTROMAULE COMPONENT
POWER - DISTRIBUTION TRANSFORMERS ACCESSORIES